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Who's boss, who's labor?

The FELLOW in the front office isn't boss any more than the man out in the shop. The boss is the man who buys what both of us work together to make.

If we work efficiently together to make a good product at a fair price, that boss will buy it and we'll both have jobs. But if either one of us is inefficient, so that the cost of what we make goes up, the boss will stop buying—and we'll both be out of our jobs. The only difference is that the man in the front office will lose not only his job but also his savings that he put

into the plant to create the jobs for both

There are good jobs to be had in America right now, in the plants where management and workers realize this truth and work at it. If more workers and managers will realize and work at it, and if government will cooperate, there will continue to be jobs. But if any one of the three fails to cooperate, fails to produce efficiently, all the planning, doles and isms in the work can't prevent breadlines. You, whether you are a manager, government man or worker share that responsibility.

smo





Rubber fingers move a mountain of milk

typical example of B. F. Goodrich product development

"HE higher the better — that's the way the warehouse operator felt out thousands of cases of evaporated lk that had to be stacked in the rehouse. The higher the stacks, the are goods can be stored in a given or space.

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But the height has always been limd by the stacking equipment. Belt nveyors have long been used. But smooth surface of the conventional it would hold boxes only when the dine was slight—too steep a pitch and the boxes slipped down the conveyor.

The company that manufactured the machine in the picture, a "Rapid Power Booster" (T. M. Reg.), came to B. F. Goodrich and found that they had already developed a belt—called Griptop—for handling bags of sugar, that grips the bags with thousands of tiny rubber fingers. A trial belt was installed on a Power Booster and carried cartons up a 35 degree grade.

Thousands of these belts are in use

today, carrying bags, boxes, cartons, baggage, coal, even ice—up grades that couldn't even be attempted with smooth surfaced belts. Like the 35,000 other B. F. Goodrich industrial products, their sole purpose is to increase efficiency and economy for American industry. Ask your B. F. Goodrich supplier for help with any problem that involves the use of rubber. The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.

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whether it be a complete machine, a sub-assembly or a single part.

Fenn will work from your designs and specifications or, if you prefer, also handle the designing.

"Engineering for Production" is the title of a comprehensive book that illustrates and describes Fenn's facilities. A copy will be sent to all executives, engineers, and designers requesting it. Address The Fenn Manufacturing Company, Department M., Hartford, Connecticut.

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BUSINESS WEEK . Mar. 16, 1

EE WASHINGTON BULLETIN

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Crackdowns in peacetime are not hieved with the disciplined ease that my were during the war. And the wilian Production Administration is eating blood over its preparations for a first real slash it has had to take at siness as usual since V-J Day—a commercial and industrial construction stop der intended to divert materials into using.

CPA now hopes to come out with the der before the end of the month, aybe as much as a week before. But er a month of travail, the details of e order are still changing daily. The king around which Housing Expeter Wilson Wyatt's program has taken om Congress has amply demonstrated at the homes-for-veterans plan is no cred cow, and CPA is finding it hard resist pressures to go easy in clampedown on other forms of construc-

One reason for delay in issuing the der is that CPA wants to reestablish field staff, nearly wiped out last ecember, before the order comes out. storation in conference committee of \$750,000 Senate cut in funds has ared the way for the field staff.

rovision for "Essential" List

It's still uncertain whether the stop der will become effective when issued perhaps as much as 30 days later. The der will forbid starting any major new instruction except housing unless it declared essential. Construction alady under way will probably be connected. Very small commercial and instrial construction will be tolerated—15,000 is fairly well agreed on as the mit for industrial building. Projects to road-building and dredging that in't use house materials won't be eatly interfered with.

Beyond this, nonhouse construction ojects will have to be certified essend. Certification will be up to local plunteer bodies like the old ration pards. Obviously, their decisions will pend greatly on the local housing and imployment situation.

MY ALLOCATE LUMBER

Allocation of building materials to ousing uses—one phase of the Administation's program which is already partly effect—seems likely to slop over into program of general allocation of these aterials, to make sure that essential instrial users of these materials get a are. Crating, for example, is short.

Civilian Production Administration now requires that mills put at least 40% of their output into house-building sizes of lumber and deliver this 40% only on HH housing priorities. Most mills are stopping these sizes at the minimum 40%, putting the rest into more profitable lines such as timbers, and leaving none of these sizes for crates.

Airplane people, hard hit, are now talking about an allocation of a few percent to be reserved for their MM military ratings. If they get it, there'll be other users close behind.

NEW DEAL PULPIT

Artfully, President Truman has put the mechanism of the "full employment" law completely into the hands of the New Deal left, thus accomplishing his periodic payoff to that wing of his support—and at the same time pretty effectively isolating them in their own beehive. Men like Isador Lubin and Robert Nathan (BW—Mar.9'46,p15) are completely satisfactory to the surviving New Dealers, but the recommendations of the Council of Economic Advisers will have less effect on actual legislation than if they had come from middle-of-the-road practical operators like Harold Smith of the Budget Bureau or Gov. Ellis Arnall of Georgia.

On the House side at least, the congressional counterpart of the Economic Council has a makeup that fits in with the President's choices—a strongly left or labor majority overbalancing an undistinguished Republican minority.

Two questions remain:

Will the Senate confirm Truman's nominees?

If the left-right split within the Administration deepens, will the Economic Council and the Joint Congressional Committee form a rallying point for the New Dealers—with a guaranteed chance to publicize their platform in the annual report called for by the law?

POOR MR. BOWLES

The Economic Stabilization Director, Chester Bowles, is over his usual spring barrel. With his price law up for renewal, he must weigh his concessions to special pressure groups to get the most votes at the lowest cost. By following up a politically inadequate 10¢ oil price boost with a half-promise to take off ceilings by June 30, he protects himself in the oil states.

But cinching the cotton votes is tougher, since the new clothing program

(page 31) is predicated on 27¢ cotton. Refusal of the cotton exchanges voluntarily to increase margins on futures contracts as a brake on prices left Bowles with no choice but to raise them himself. But if the margins show signs of actually restraining prices enough to upset cotton congressmen, they may have to come off again to eliminate a threat to his whole price program.

JUDICIAL SLOW MOTION

The Supreme Court is chasing its tail. So far this term the court has been forced to restore twelve cases to its docket for reargument.

Among the reasons are tie decisions in the absence of Robert H. Jackson (now at the Nuemberg war criminal trials) and disqualification of justices, on their own motion, to participate in certain cases.

The situation won't be corrected until the October term, as Jackson will be busy in Germany until after the spring term ends.

Cases of business import which are awaiting reargument before a full bench include Alpine MacGregor vs. Westinghouse Electric, involving the validity of patent and price-fixing provisions of a royalty contract; Bruce's Juices, Inc. vs. American Can Co., involving alleged price discrimination under the Robinson-Patman Act; Haliburton Oil Well Cementing Co. vs. Depthograph Co., involving the scope of patent claims; and Max Levinson vs. Spector Motor Service, involving exemption of employees, subject to jurisdiction of Interstate Commerce Commission, from the Fair Labor Standards Act.

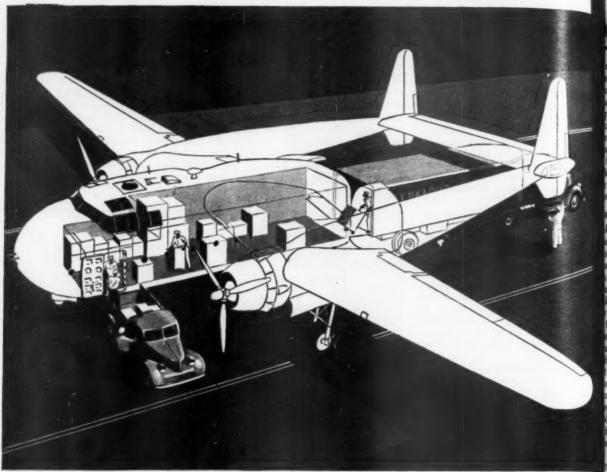
Business cases assigned for reargument for other reasons include United Brotherhood of Carpenters & Joiners vs. U. S., and related cases, involving alleged conspiracy between unions and employers to fix wages and prices; Gath P. Freeman, estate trustee, vs. Indiana, involving state gross income tax; and Alma Motor Co. vs. Timken-Detroit Axle Co., involving validity and effect of the wartime Royalty Adjustment

ARMY OVER ATOM

The military will get its way on con-

trol of atomic energy.
You can assume that

You can assume that when legislation on domestic control of nuclear fission emerges from Congress, it will provide for close military supervision of the development of fissionable materials and



The INSIDE Story of the Packet

Speed creates profits for air cargo operators—speed on the ground as well as speed in the air.

Fairchild engineers, planning the Packet to carry cargoes that no other transport can handle—made loading and stowing easy. They squared the fuselage. They gave it straight sides, a level floor and a horizontal ceiling. They split the fuselage tail into two doors which open the full width of the hold. They placed another door forward for access to up-front space.

The result is an air freight transport that is easier to load than a boxcar.

Cargo can be walked directly from truck or loading platform straight into the hold—no right angle turns—to its allotted place on the floor. Straight sided cartons snug up to the Packet's straight-sided walls like building blocks. Cases can be lashed down quickly to the recessed tie-down fittings placed every 20 inches on a floor designed for heavy loads.

Here, then, are facilities for speed on the ground vital factor in the distribution of perishables; a major element in the establishment of profitable air cargo operations.

That is the inside story of the Packet. Fairchild engineers have again achieved "the touch of tomor row" in a plane built expressly for the dawning ag of "flying freight."



Fairchild Aircraft Division, Hagerstown, Md. Fairchild Personal Planes Division, Dallas, Te 30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y.
Ranger Aircraft Engines Division, Farmingdale, L. I.

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Duramold Division, Jamestown, N.

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ASHINGTON BULLETIN (Continued)

extremely tight restrictions on the e of any information about nuclear

ction of the Senate committee in ting the Vandenberg amendment, establishes a military "liaison" mittee as a brake on the all-civilian nission proposed in the McMahon for control of atomic energy, makes er that the Army is in the saddle. scientists are fighting just a rear-daction now (page 19).

edication Snarl

feanwhile, there is increasing imace to get some sort-any sort-of dation enacted which will end the ent blockade and force declassificaof some of the secret nuclear data. uch men and industrialists are parlarly anxious to get their hands on industrial processes and tools and the radioactive isotopes which are oducts of plutonium piles. Al-gh these "tagged atoms" are so in medical and chemical research they may prove to have more cim importance than nuclear energy ase itself, they now are being thrown was fast as they are produced.

my technicians, however, have lithith in any declassification program ninated by the military. Typical of military attitude is Massachusetts itute of Technology's experience in efforts to build a synchrotron-an m-busting research instrument simito the cyclotron. When the Man-tan District flatly refused M.I.T.'s set for plans of its new West Coast chrotron, the institute found a man could read Russian-and he uno could read Russian and data in a iet scientific journal.

DWYER'S HOPKINS

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New York's former mayor, Fiorello Guardia, got pretty much what he ed for from the Roosevelt Adminison. Mayor O'Dwyer aims to do just well for himself with the Truman ministration.

button things up for "clean Tamny," he is appointing a representa-in Washington named Frank Cony, who knows his way around there. nolly was a WPB executive and formerly associated in New York with R. P. Bardell Associates, gement specialists.

it's a matter of picking up a tidy of war surplus that New York City d use, it will be Connolly's job to hold of it. It will be his job, too, to that the city gets its share of fed-funds which are distributed for

this and that, and, in general, to seize all opportunities to advance the city's interests-and O'Dwyer's goodwill.

SITUATIONS WANTED

The once-mighty Reconstruction Finance Corp. is looking for business. Created during the Hoover Administration in 1932 as a storm cellar for banks, insurance companies, railroads, and other wobbling concerns of almost every description, the corporation's charter expires next January.

During the war the RFC financed a large proportion of war production capacity; a subsidiary, the War Assets Corp., now is handling disposal of war surplus, but the RFC itself is a memorial

to two great calamities.

Congress won't wipe out the agency; it is the holder or guarantor of too many pieces of paper, but the RFC is worried that Congress may whack off the large assortment of statutory functions that it has acquired in the past 15 years, and which furnish some opportunity for activity even in a prosperous peacetime economy.

As one step in building goodwill, the RFC is trying to demonstrate that it is a friend of small business. It's an uphill job because in the days when it bandied with billions, the RFC got a reputation for not knowing-or caringtoo much about the corner grocer.

PARRAN'S HOT POTATO

Dr. Thomas A. Parran, Surgeon General of the Public Health Service, has tossed a hot potato to the medical profession by suggesting that hospitals and health centers provide office space for doctors. Many of the 50,000 doctors and dentists released from the Army and Navy are having as hard a time finding offices as finding homes in communities which badly need their services.

To back his proposal, Dr. Parran is urging that Congress write into the pending \$375,000,000 federal-aid health facilities program a stipulation that federal funds be granted only if office space for physicians and dentists is included, wherever needed, in the hospitals and health centers built under this legisla-

OPA STUDIES SMOKES

Last fall the big cigarette manufacturers felt sure of a price increase of a half-cent or more a pack (BW-Oct. 6'45,p8). But OPA has deferred its decision pending an answer to the question of whether the industry's rate of return on its net worth this year is likely to fall below the 1936-39 level.

OPA is now completing an industry survey begun last fall when two cig arette manufacturers asked price relief on the ground that their fixed wholesale prices did not cover a wartime doubling in tobacco costs.

WHERE SURPLUSES HURT

Many a manufacturer had nightmares during the war, in which the goods his plants were spewing out for the military came home to clog his civilian market.

Many of them are still wondering why it hasn't happened yet, but one outfit-Pratt & Whitney-is seeing its nightmare come true, as a major part of a year's production is wiped off its order books. Many of the new transport planes the airlines are ordering specify the 2,200-hp. engine which P. & W. sold to the military in large quantities at about \$18,000. The plane builders have placed substantial orders with P. & W. at about \$22,000.

Now, however, the War Assets Corp., unable to arrive at a sales agency agreement with P. & W., has thrown some 700 unused surplus engines on the market at \$10,000. The plane manufacturers have their own fears about surpluses, but the airlines have had no scruples about buying the surpluses and directing the plane builders to furnish them planes less engines.

Pratt & Whitney has warned the airlines that, because many of the surplus engines were built by licensees, it can't stand back of them and can't guarantee

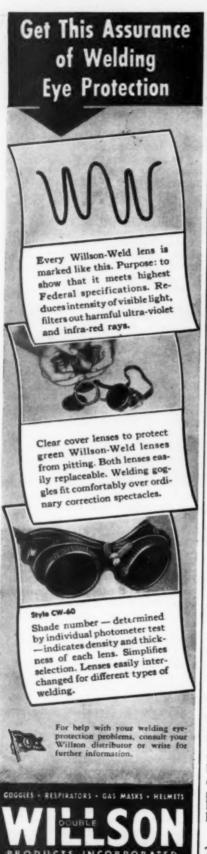
to maintain stocks of parts.

CAPITAL GAINS (AND LOSSES)

The Justice Dept. is investigating charges that the big networks and other radio interests are deliberately holding back on FM.

The foreign broadcast intelligence service, now under the wing of Army's G-2, may be brought under joint control of Army, Navy, and State Dept. It all depends on outcome of the superintelligence organization now being worked out by military and civilian brass

It was Beardslev Ruml's own idea that he should be consultant to Housing Expediter Wilson Wyatt. Macy's versatile treasurer offered his services. Ruml's job will be to line up retailers behind the housing program. Every house needs furnishings.



THE COVER

On May 14-16 Pittsburgh will hold a notable science and engineering forum to celebrate the 100th anniversary of the birth of George Westinghouse. This spotlight on the career of the great inventor must inevitably be shared by the new head of the company that bears his name. When the event was announced last month, Pittsburghers remarked that they hoped it would interrupt Gwilym A. Price's top job of operating the far-flung plants of the Westinghouse Electric Corp. point was that he hadn't yet had such a job, since he came into office after these plants had been shut down by the big strike. Up to this week it was a negotiating assignment.

But Pittsburgh doesn't need any formal introduction to Price. Its businessmen have known him ever since he came up the hard way, through night school and the University of Pittsburgh Law School, to enter legal practice, work his way to the presidency of the Peoples Pittsburgh Trust Co., and then go on to Westinghouse as executive vice-president three years ago.

• Friends who translate the "Gwilym," which bespeaks his Welsh parentage, as "Bill," also remember that he went into the first World War as a private and was discharged in 1919 as a captain, that he taught trust functions in Pitt's evening school during nine years of his career as a banker, and served a term in the Pennsylvania legislature.

Starting his Westinghouse presidency in the midst of a strike, Price commented quietly that "there is no conflict between the interests of management and employees, but there may be conflict at times between the interests of stockholders and employees because of unfair demands by one side or the other. Then management must see that the proper balance is preserved."

He has also stated that "it is the responsibility of management to manage a business successfully within the framework of the American system—and one of the essential elements of successful operation is profitable operation."

Westinghouse's 50-year-old chief has a reputation for devoting endless energy to such operation. When the Prices built their home, "Ty-Y-Cymro" (House of a Welshman) at Rosslyn Farms, near Carnegie, Mrs. Price had to look after most of the details because her husband didn't have time. She recalls that, when he was inspecting the grounds one Sunday, the contractor, likewise engaged, ordered him off. They had never met.

The Pictures——Acme——15, 19, 42; Press Assn.

—22, 50, 104; Int. News—34, 72, 90; Brennan
—66; McGraw-Hill—76; Harris & Ewing——108,
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Business prospects are obscured by clouds aplenty—both at home and abroad—as industry sets out to make up for lost time.

Chester Bowles' "clarification" of the new wage-price policy over last week end did nothing to relieve the wage-price squeeze on industry.

Yet there has been some further clearing of the labor skies, John L. Lewis and his coal miners notwithstanding. The week's big news on the strike front, of course, was the General Motors settlement.

And business has weathered this turbulent period remarkably well.

Consumers' incomes have held way higher than the most optimistic estimates for the reconversion period. And those estimates allowed only for the impact of reconversion, not for strike complications.

Income payments to individuals for January, just compiled by the Dept. of Commerce, give some idea. The month's rate (seasonally adjusted) was over \$155 billion a year against the war peak of \$161 billion for 1945.

There may be some additional decline in February and March, but we won't go down anywhere near the \$130 billion low once anticipated.

Favored with an extraordinary lot of money, consumers have continued to spend at a great rate.

Strikes and lost production, far from frightening the public into hoarding its cash, have resulted in an accelerating rush to buy such goods as were to be had.

We thought we had a spending spree last Easter. Well, this year, seven weeks before the fashion parade, department store sales were higher than they were two weeks before Easter in 1945.

Those are dollar sales, of course, and prices are higher.

Yet it doesn't seem possible that higher prices, up-trading, and up-grading combined can account for gains consistently running 20% or better.

Business borrowings reflect not only the high volume of trade but also industry's willingness to bet on its long-run prospects—despite all the short-range difficulties management is experiencing.

Banks' loans to business started a very sharp climb late last year. It far outran the seasonally expanding pattern (BW—Dec.29'45,p22).

Some of that borrowing was to pay off outstanding securities with bank money which costs less interest. But a very substantial portion was to finance new business.

Since the turn of the year, there has been added evidence of the substantial nature of these loans. Instead of declining as is usually the case in the midwinter months, the total has risen further.

The Federal Reserve member banks that report each week now have \$7,382,000,000 out in business loans. That's up about \$115 million from the end of 1945 and \$1,130 million higher than a year ago.

Most of the standard business indicators show surprising vigor.

Spectacular factor is this week's rate of <u>steel output</u>—83.6% of capacity (chart, page 20). That puts operations right back where they were before the start of the strike.

Electric power output, around 4,000,000,000 kw.-hr. a week, is off about 11% from a year ago (when we were pushing munitions production full tilt

THE OUTLOOK (Continued)

BUSINESS WEEK MARCH 16, 1946

to end the war in Europe). But the present level is very nearly as high as was the seasonal peak late last December.

<u>Carloadings</u>, bolstered by heavy coal traffic, are very nearly as high as they were at this time in both 1944 and 1945.

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More important, miscellaneous freight and less-than-carload lots (which represent semifinished and finished manufactures to a very large extent) are off less than 7% from the high rate a year ago; they are down 5% from 1941 when cars were loaded much less heavily than now.

General Electric says it's going to serve the public's needs, to turn out the goods even though it means a loss on every unit of production.

And careful Wall Street analysts, rechecking the figures, have reached the conclusion that many companies will have to follow suit, however ill prepared they may be to afford it. The stock market tells that story.

These securities analysts conclude that very few lines of business will be granted price increases any time soon. They don't see very spectacular profits for makers of capital equipment and most types of consumers' hard goods before 1947.

The profits squeeze has dampened speculative ardor, moreover, at a time when the foreign news is sobering.

Corporations only now are beginning to be able to pare costs.

Manpower is becoming available for the first time (with nearly 1,500,-000 veterans swelling unemployment). Employers can pick and choose for the skills they need; more important, they can eliminate overtime for the first time since the war production drive got up steam.

Industries which have been shut down by strikes and shortages are finding, on reopening, that it is easier to hire the hands they need. Thus steel has pushed production up to prestrike levels and yet is avoiding overtime like poison.

One of the ways the automobile industry apparently intends to save money and boost output is to avoid model changes, with attendant shutdowns, until the summer of 1947.

Most 1946 models aren't much different from those of 1942; most of those for 1947 aren't going to be much different from 1946's (unless the boys have something up their sleeves).

Production of cars and trucks hasn't yet got back even to the feeble top of late 1945. Chrysler, however, is above a 650,000 unit annual rate and Studebaker, leader of the independents at the moment, is at 150,000.

Now Ford is getting started all over again, G.M. will be soon. The race is on. The industry will push up to a 3,000,000 annual rate in short order, but parts supply may make things tough from there on.

Construction, although beset by the Washington wrangle over the housing program and by winter weather, has risen 25% since the end of the war.

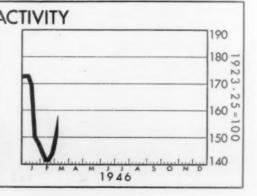
This is the dollar value of construction put in place. Volume of contract awards and building permits has risen much more rapidly, but materials shortages and cost factors have held back actual work.

And, while Dept. of Commerce figures indicate that the value of residential building in February was up 115% over last August, the comparison is with a very low level. Goal is to double this monthly average.

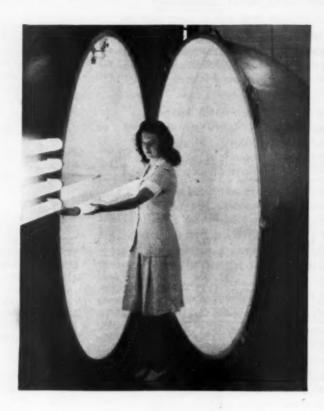
FIGURES OF THE WEEK

	§ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Averag
HE INDEX (see chart below)	*158.0	150.5	145.0	230.1	162.
ODUCTION					
Steel ingot operations (% of capacity)	83.6	176.7	5.5	94.5	97.
Production of automobiles and trucks	23,050	17,575	23,785	20,235	98.23
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$12,677	\$11,342	\$11,301	\$5,997	\$19,43
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	3,953	4.000	3,983	* * * * * * * * * * * * * * * * * * * *	3.13
Electric power output (million kilowatt-hours)		-4		4,446	
Crude oil (daily average, 1,000 bbls.)	4,403 2,090	4,726 †2,104	4,691 2,105	4,768 1,880	3,84 1,68
RADE					
Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars)	77	69	69	83	8
All other carloadings (daily average, 1,000 cars)	54	51	52	48	5
Money in circulation (Wednesday series, millions)	\$27,957	\$27,938	\$27,929	\$25,864	\$9.61
	+19%	+20%	+21%	+19%	+179
Department store sales (change from same week of preceding year)					
Business failures (Dun & Bradstreet, number)	22	15	27	21	22
(ICES (Average for the week)					
Spot commodity index (Moody's, Dec. 31, 1931=100)	271.4	271.1	267.1	255.2	198.
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	170.9	170.6	170.1	166.4	138
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	238.6	237.5	234.7	226.1	146
Finished steel composite (Steel, ton)	\$64.45	+\$64.45	\$58.27	\$57.55	\$56.7
Crap steel composite (Iron Age, ton)	\$19.17	\$19.17	\$19.17	\$19.17	\$19.4
Copper (electrolytic, Connecticut Valley, lb.)	12.000e	12.000e	12.000e	12.000€	12.022
Wheat (Kansas City, bu.)	\$1.72	\$1.69	\$1.69	\$1.66	\$0.9
Sugar (raw, delivered New York, lb.)	4.20€	4.20e	3.93é	3.75€	3.38
Cotton (middling, ten designated markets, lb.)	26.61e	26.78€	25.70€	21.74e	13.94
Wool tops (New York, lb.)	\$1.330	\$1.330	\$1.330	\$1.340	\$1.28
Rubber (ribbed smoked sheets, New York, lb.).	22.50¢	22.50¢	22.50¢	22.50∉	22.16
NANCE					
00 stocks, price index (Standard & Poor's Corp.)	138.1	136.2	148.0	113.6	78.
Medium grade corporate bond yield (30 Baa issues, Moody's)	2.93%	2.94%	2.94%	3.38%	4.339
ligh grade corporate bond yield (30 Aaa issues, Moody's)	2.47%	2.48%	2.49%	2.62%	2.779
Call loans renewal rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.009
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	1%	1%	3%	1%	1-89
NKING (Millions of dollars)					
Demand deposits adjusted, reporting member banks	37,395	137,610	37.821	37,149	23.87
otal loans and investments, reporting member banks.	67,699	68,148	68,223	58,424	28,19
Commercial and agricultural loans, reporting member banks.	7,458	7,382	7,342	6,198	6,29
ccurities loans, reporting member banks	4,625	4,865	4,863	2,907	94
S. gov't and gov't guaranteed obligations held, reporting member banks	49,231	49,518	49,716	43,977	14.08
ther securities held, reporting member banks.	3,431	3,452	3.372	2,930	3.71
xxess reserves, all member banks (Wednesday series)	900	1,140	1,220	899	5,29
	23,297	23,677	23,840	20,150	2,26
otal federal reserve credit outstanding (Wednesday series)					





Two ways to buy Fluorescent Lamps





HARD WAY: you might buy a dozen light meters, such as the giant modern photometer shown above and used by General Electric to check uniformity of light output in G-E Fluorescent Lamps. Then, you might investigate electronics (basic principle in fluorescent lamps). And for good measure, you might hire 300 engineers, physicists, metallurgists and other scientists responsible for G-E Lamp development. Yes, you might do all these things when you want high quality fluorescent lamps... but there's a better answer.

EASY WAY: insist on G-E Lamp

Whether you want lamps for replacement lamps for brand new office and plant lightin insist on the G-E trademark. It assures to all the advantages of leadership in landevelopment. *Lamp research by General Electric works constantly to give you fluorescent lamps that Stay Brighter Longe

G-E LAMPS

GENERAL @ ELECTRIC

BUSINESS WEEK

NUMBER 863 MARCH 16, 1946

Public vs. Private Power

Newly appointed Interior Dept. chief, caught in middle of old fight over electric utility ownership, soothes both sides as they gird for showdown. Rayburn blasts REA opponents.

While the public and Congress have been beguiled by more spectacular issues, the old fight over public and private ownership of electric power seems to be heading for a showdown—a showdown that may determine whether public power can be reined up short of complete nationalization of the power industry.

industry.

• Krug in the Middle—The participants are the more aggressive half of the nation's 300 major electric light and power utility companies, and that powerful group of federal officials whose control—competitive and statutory—over the power industry is far greater than most people realize.

In the middle of the battle is the newly christened Secretary of the Interior J. A. Krug, who seems disposed to temper the policy of his pugnacious predecessor, Harold L. Ickes, at least until he has satisfied himself whether public power and private power can live side by side.

ive side by side.

• Public Group Worried—In its new offensive the private power group thus far has not regained more than a shadow of the influence it once commanded in Washington. But it is active in the capital for the first time since its rout in mid-1935, when the public utility act went into the statute books and the Federal Power Commission and the Securities & Exchange Commission went into the utilities' books.

Conversely, the ability of the public power phalanx to get what it wants from Congress has not yet suffered appreciably, but the indignant complaints it has loosed in recent weeks indicate that it has been stung by the local success of its opponents, and that it fears the resurgence of the private industry group.

• Busy on Several Fronts—The private power drive is moving on several salients. Half a dozen presidents of utility com-

lightin

Gener

Longe

panies in five southwestern states have carried the fight to Congress against appropriation of \$23 million as a starter for the Interior Dept.'s Southwestern Power Administration plans for a \$200 million transmission system to distribute energy from 30 Army Engineers dams authorized for the area by Congress (BW-Feb.17'45,p48).

What success these utility executives may have in setting the Southwestern

Power Administration back on its heels will not be known until the Interior Dept.'s appropriation bill is finally enacted, but they started out in sufficiently impressive fashion to prompt the public ownership operators to enlist the services of one of the radio's foremost gossipers in an attempt to start a backfire.

Another move by the utilities is their attempt to obtain a series of amendments to the holding company act designed to revive investor interest in utility properties (BW-Feb.16'46,p28).

• Drive Against REA—On a third front, the utilities are seeking to circumscribe the activities of the Rural Electrification Administration. Such moves as this must be performed as delicately as a brain operation, because the REA has achieved almost as hallowed a political status as mother and the American home.

One of the utility organizations which is advancing the private power drive, the National Assn. of Electric Companies (BW-Jul.28'45,p36), was successful for some months in bottling up in a congressional committee a bill which would have given REA \$550 mil-

lion for three years of postwar line building.

A broadly rewritten version of the bill, authorizing \$450 million for three years, but sharply curtailing REA's right to make loans for acquisition of existing properties, finally came out of committee recently. Meanwhile, REA had obtained appropriations totaling \$300 million for the present fiscal year, and is certain to obtain another \$250 million for the next fiscal year (BW-Mar.2'46,p7). Thus it can afford to sneer at the \$450 million alleviative thrown to it with the highly restrictive legislation just reported.

• Rayburn Speaks Up—The utilities' campaign drew fire this week from a worthy antagonist during arguments on next year's appropriations. Speaker Sam Rayburn, in one of his rare speeches on the House floor, declared: "If they're spoiling for another fight from me, they'll get it." (Applause from both Republicans and Democrats.)

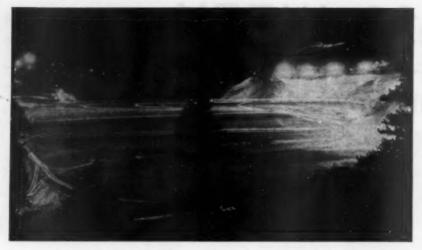
Rayburn said that the capital has been "loaded down and seething with utility lobbyists for the past six months."

"Every decent utility in the United States should be glad of public power," said Rayburn. "In 90 cases out of 100 the rural electrification cooperatives have to use power lines of the utilities." Rayburn also objected to the utilities efforts to block "a little appropriation for the Southwestern Power Administration."

• Projects Galore-Another attempt to hamstring the REA was beaten in the



Speaker Sam Rayburn, cosponsor of the Public Utility Act which rocked private utilities with its death sentence clause, is set to sock them again.



MOVING THE EARTH FOR A BETTER WATER SYSTEM

Construction gangs burn the midnight oil (above) at Boise, Idaho, as work is pushed on Anderson Dam—to be the world's highest earth-filled structure. It will be 456 ft. high. Behind it—rising a foot a month—is a new lake (below) which will eventually be 13 miles long, store 500,000 acre-ft. of water to supplement that in Boise Valley this spring. Being built by the U.S. Bureau of Reclamation, the dam will cost upwards of \$13 million and will include a \$2,450,000 power plant. Completion of the project is slated for late 1947.



Senate recently when the upper House rejected an amendment which would have barred REA from making any loans for the installation of generating capacity by rural cooperatives unless certain findings were made by the Federal Power Commission.

While ringing alarms and demanding congressional investigations of the resurgence of the power trust, the public ownership column has been promoting a drive of its own which, if successful, would lead the nation far down the road to complete nationalization of electric power.

Throughout the war, federal agencies dreamed of a postwar public works program which would help in attaining the full-employment goal of 60,000,000 jobs and went about planning public power projects with abandon. Still more are under study.

The St. Lawrence project, which would add about 950,000 kw. of publicly owned generating capacity, has been revived for yet another attempt at running the rocky rapids in the

• Talking Up the Valleys—The proportion of the drive for public power in rural electrification, as measured by the amount of funds sought for REA, matches the size of the additions to generating capacity which were visualized by the Interior Dept. and by the Army Engineers.

Rooters for the creation of more valley authorities patterned after the Tennessee Valley Authority are showing signs of renewed activity. This are likely to push for Sen. Human Mitchell's projected Columbia Volcy Authority rather than the Misson in Valley Authority which, in spite of Son. James E. Murray's strenuous efforts has become so snarled in regional pointics and prejudice that it doesn't have much show in Congress.

· Krug's Policy-On to this stage steps J. A. Krug, a key figure because, as Sec retary of the Interior, he controls the nation's largest and most extens power holdings under one management Krug's entrance will be viewed anxious by both parties to the controversy over public ownership. This will not be to determine whether he will favor pub ownership-for any Secretary of the Interior must do that under the laws he administers-but to learn whether h will direct the Interior Dept.'s progran with the passion for nationalization of power that motivated his predecessor, or do it in a way which assumes that private ownership still can be allower a place in the field.

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Krug's brief testimony before the Senate Public Lands Committee, which considered his nomination, disappointed the more zealous advocates of public power, for several of Krug's statements can only modify Ickes' position. Ickes, for instance, had directed a policy which, by championing municipalization of city power distribution, could only thrust the Interior Dept. into local politics. Krug's position is that the Interior Dept. should keep out of local decisions for or against public owners.

• Must Stand Alone—Ickes had followed a course which led irrigation interests to complain that he was to ready to sacrifice water on the land for water in the turbines. Krug testified that he could visualize situations wherein some power advantages might have to be passed up to make way for those accruing from more extensive irrigation.

Irrigation.

Ickes had approved a power-at-amprice administration which ferreted out and sought to justify any means to increase the supply and lower the cost of energy to consumers, including project cost allocations favorable to power as against irrigation. Krug testified that power should stand on its own feet, and should not be subsidized by any other portion of a project. Power, he said, should be developed to supplement existing supplies, and should not be used to drive private power out of business without good reason and adequate recompense to the owners of the property.

 Soothing Testimony—Krug's position on setting up valley authorities differ from that of his predecessor, although by no means as much as some antian ority senators had feared. Ickes had posed all TVA-type authorities, rored regional bodies having the genal characteristics of TVA but lacking all-important (to the authority tople) independence.

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krug told an antiauthority committee at TVA was the best method of dedoping the TVA area, but that he
d not and, without study would not,
how the best way of developing other
ver basins. He pacified Montana's
dently proauthority Sen. James Mury by agreeing that a river basin develment job should be based on the
ver as a whole, but he soothed the
attauthority committeemen by adding
at it would not be proper to do so to
the destruction of existing water rights
and state lines.

Fact-Facing

Realizing that capital goods prices have minor effect on living costs, OPA relaxes its producer controls.

OPA is facing up to the fact that reconversion of the hard goods industries presents a problem which its customary methods cannot handle—the pricing of producer's goods, such as machinery, parts, and subassemblies.

The auto, household appliance, and radio industries, among others, ordinarily procure parts and machinery from a multitude of sources, many of

them comparatively small firms dependent in turn on subsuppliers. Careful pricing of these items could be extremely burdensome and time-consuming—to the bureaucrats as well as to industry.

• Public Scarcely Affected—OPA itself realizes that such elaborate pricing is comparatively unimportant in its effect on the cost of living. Capital goods—machine tools, engines, cranes, and the like—are amortized over a period of years. Their price has only a minor influence, in 1946, on the price of the finished product.

As for parts, the price of any one particular type has hardly any effect on the price of the finished product, especially when the final producer, who buys the parts, is working under a price ceiling and very likely has much greater bargaining power than the supplier.

• Serious Errors Easy—At the same time, a false step in pricing any one of this multitude of producer goods can—by fixing a price so low that it drives the item out of the market—seriously interfere with production of the finished product.

This problem is complicated by the fact that suppliers of many producer goods are new to the civilian market. During the war they have been working on government contracts or subcontracts and have had no dealings with OPA. Often they are not even represented by OPA industry advisory committees. And their price ceilings are obsolete.

• Auto Parts Freed—These facts led OPA, several months ago, to drop all price controls on automobile parts going into new cars. This was a natural place to start, since the auto manufacturers were too powerful economically to stand in any danger of price gouging.

in any danger of price gouging.

Strong arguments have been presented ever since, both inside the agency and in industry, for extending this same approach to other industries. It may yet be done in cases where many small suppliers feed into a few strong assemblers. But most OPA officials are still not ready to go the whole way.

• Liberal Control Method—What they are adopting instead is approximate—and liberal—price control of producer goods. Over the next few weeks a series of orders will be issued granting substantial price increases—10%, 12%, 15%—on producer equipment. They will cover such classes of goods as machine tools, diesel engines, dies, jigs, cranes, compressors. In a few cases (probably low-speed diesel engines and locomotives, for example), price control will be dropped altogether. Some of the increases will amount in fact, though not in name, to decontrol, since the ceilings will be set higher than OPA actually expects the price to go.

Somewhat later, similar increases will be made on many classes of parts and subassemblies—for example, fractional

G.M. Peace Terms Short of Union Goal

Settlement of the 113-day General Motors strike Wednesday was built essentially on the G.M. stand-pat position of an 18½¢ general wage increase, modified somewhat by the company's agreement to remove inequities in rates where they exist.

The settlement obviously was short of the goal of Walter Reuther, vice-president and head of the G.M. department of the C.I.O. United Auto Workers Union. Nevertheless it was assumed that, the political situation in the United Auto Workers Union being what it is (page 90), Reuther had more to gain than to lose in a preconvention windup of the strike. It was apparent that he agreed to the deal under tremendous pressure from other union officials, within both U.A.W. and C.I.O.

• A Gain for Reuther?—Reuther's friends will credit him with winning the agreement of the company to adjust inequities, to raise vacation pay allowances, to enlarge overtime premium, and to give other scattered concessions. Negotiators were quick to report that these "extras" bring "the total average hourly increase to well above 19½¢," which the union had set as its requirement for settling.

The first general reaction, however, was that the settlement would contribute nothing to Reuther's hopes for the union presidency, although his followers clung to the contrary opinion.

• Special Clauses—Company concessions—the new vacation clause, the irrevocable checkoff of dues to replace maintenance of membership, and other grants—had mostly been offered a fortnight ago.

The vacation plan is based upon percentages of gross earnings, rather than being calculated in dollars, and provides stepups for workers of one to five years' seniority standing. The irrevocable checkoff amounts to maintenance of dues rather than of membership. U.A.W. hailed this clause as "a long step toward the union shop."

union shop."
• Transfer Policy—G.M.'s largest concession during two weeks of negotiating preceding the settlement was in regard to permanent transfers, and it was hardly major compared to other issues. The agreement provides that where other considerations (merit, etc.) are equal, seniority will be the governing factor.

The agreement also provides retroactive pay of 13½¢ an hour for all hours worked back to Nov. 7.

G.M. workers are expected to approve the settlement of the strike over the week end and to resume work next week.

• Near-Standard Agreement—While the contract will run for two years, a provision that the wage question be reopened and negotiated a year hence makes the G.M. settlement substantially a standard twelve-month pact, particularly since the reopening clause (page 93) contains no arrangement, such as arbitration, for resolving any dispute which may then develop.

G.M. hopes to be operating at capacity production levels by June—an expectation which some Detroiters consider too optimistic, primarily because of the bitter after-effect which the longest strike on record in the industry is likely to leave on G.M. employee relations.

horsepower motors and radio tubes.

These increases, in general, are not supposed to be passed on to the ulti-mate consumer. The manufacturer is expected to absorb the comparatively small cost rise involved-and to use his bargaining power to hold prices down if there is too much pressure on his own

ceilings.

• The Goal: Speed-In arriving at price adjustments on producer goods, OPA is being guided more by the desire for speed than by its usual concern for finding the minimum inescapable concession. Its procedure is to divide the field into a few big groups. The whole machine-tool industry is one such group. Die and jig makers are another. In each of the groups a rough estimate is made, on the basis of fragmentary data readily available, of increased costs which have hit the industry since its price ceilings were established. Considerable weight is also given to the price concessions which the primary producers themselves are willing to make in the interests of better deliveries.

Then an across-the-board percentage increase is granted to the whole group. • Formula Sought-OPA recognizes that the suppliers of producer goods are faced with a round of wage increases under the "patterns" of the new wageprice policy. The OPA committee on

producer goods is now trying to work out a quick and simple formula for adjusting the newly revised price ceilings to forthcoming wage increases.

The wage-price policy itself was restated in detail this week (page 97) and the fanfare with which "supplementary wage and salary regulations" were released might lead an unwary observer to think that OPA had turned another

price corner.

· New Feature-Actually the new regulations introduce only one minor fea-ture not already plain (BW-Mar.2'46, p17). Employers who grant a wage or salary increase without obtaining government approval, with the intention of absorbing the increased costs themselves, may later change their minds, seek after-the-fact approval from the appropriate wage-stabilization body, and, if approval is granted, ask for a price increase. Previously, it was intended that a pay increase granted without government approval should debar the employer from seeking future price relief.

The regulations re-emphasize OPA's determination not to grant or promise price relief until the pay increase has actually been put into effect. Agency officials do not intend to be caught in the middle of every labor dispute as they were in the steel battle.

Air Service to Europe-What It Costs

Here is a checklist for exporters and travelers of costs to fly or ship to European points, based on agreements reached at the recent (North) Atlantic Traffic Conference of the International Air Transport Assn. The passenger and express rates become effective Apr. 15 if the governments concerned approve by Apr.

5, and expire July 31 unless replaced before that date by new rates. Flight frequency varies, ranging from 15 a week to London down to one a week to Stockholm and Copenhagen, subject to change when additional equipment becomes available. (Rates are for all airlines unless otherwise noted.)

	- Passenger Fares			
Curre	New	New Round Trip	Express (per lb.)	Mail (per ½ oz.)
New York to:				
Shannon (Eire)\\\ \frac{\$334}{249} \]	PAA \$ \$319	\$575.87	\$1.16	\$0.30
London 375	360	649.67	1.31	0.30
Paris 375	375	676.67	1.36	0.30
Brussels	394	710.87	1.43	0.30
Amsterdam 399	394	710.87	1.43	0.30
Copenhagen 465	436	786.47	1.59	0.30
Prestwick (Scotland)	358	646.07	1.30	0.30
Oslo 470	438	790.07	1.59	0.30
Stockholm 495	455	820.67	1.65	0.30
Lisbon	WA 375	676.67	1.36	0.30
Bermuda 70	70	126.00	0.25	0.10
Azores	275	496.67	1.00	0.30
Bermuda to Lisbon	345	621.00	1.25	
Montreal to London 341*	341*	613.00*	1.24*	***

[†] Tickets purchased in the United States subject to 15% tax. * In U. S. dollars.

Air Fares Set

North Atlantic schedula including new express charges will become effective Apr. 19 if governments approve.

Fixed rates on all North Atlantic a lines may become effective Apr. 15 the governments of the United State Canada, Britain, and Sweden agnify Apr. 5 their approval of the propos schedule.

· May Set a Pattern-The tempora fixed-rate agreement, to which all parent and prospective North Atlantic riers would be bound, is the result the first of a series of nine regional o ferences being held by the Internation Air Traffic Assn. in an effort to achie rate control globally. It stands a chan of becoming the rate pattern for t others, although its own existence hedged by a number of conditional pro visions and uncertainties.

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Unless replaced earlier by new, a proved rates, the schedule would exp July 31. However, in an effort to tain fixed-rate policy, a subcommitt was appointed to study operating to with the idea that more permanent an possibly lower rates can be instituted. The committee report is due June 3.

Gateway Basis—The new schedule a

temporary fares is based on the ST rate for the mileage between New York and Paris, which, for example, has the effect of lowering the New York to Lor don rate from \$375 to \$360. In the ex ceptional case of Pan American Airway a \$249 New York to Shannon (Ein rate would go up to \$319. The agree ment also sets up freight and mail rate

Another new rate concept include in the proposed schedule provides f fixing fares from gateways on one of the Atlantic to gateways on the other Boston and Montreal are designated for this side and Shannon, Lisbon, at Oslo on the other. The transatlant fare from New York to Shannon, for example, is figured as the base trans lantic rate between Boston and Sham plus the domestic fare between Bost and New York even though the act flight is direct from New York to Sh

The proposed schedule provides special round-trip rates calculated the basis of a 10% discount on dou the one-way, gateway fares. Thus, New York to Shannon round-trip to is based on double the one-way Bosto to Shannon fare, less 10%, plus doub the New York to Boston domestic fa on which there is no discount.

• More Baggage-Other provisions clude: determination of express rat

ght-tenths of 1% of the one-way nger rate per 2.2 lb.; setting the for children less than two years old % of an adult's fare and for chilbetween the ages of two and e as 50%; increasing baggage al-nce from 55 lb. to 66 lb.; and ng excess baggage rate at 1% of the ne-way fare per kilogram.

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airline companies, which provide resent North Atlantic service, were le to vote, and a unanimous den was required to get a rate agreeout of conference. P.A.A., which the start took the position that rence-fixed rates were impractiabstained rather than vote against

presentatives of prospective North nark, and Norway could not vote I.A.T.A. rules but agreed to be nd by conference rates as long as are in force.

AB Seeks More Power-Use of TA. conference machinery for rate was adopted as a temporary policy recent Anglo-American Civil tion Conference at Bermuda. The Civil Aeronautics Board agreed U.S. airlines could participate in I.A.T.A. conferences for a year, the provision that schedules eby determined must have CAB ap-

AB has contended that it has legal to sanction such agreements on and thereby exempt them from isions of the antitrust laws. To this it seeks from Congress the power x rather than just approve rates. A ority opinion of the CAB on this t contends that refusal to grant power would doom the only existmachinery for rate control and that he same time it would strip the of its jurisdiction over internaal routes.

dissenting opinion, on the other d, holds that I.A.T.A. agreements contrary to antitrust legislation and his government's policy in regard to petition in the air. Charges that the nt rate-making machinery smacks ing a cartel arrangement have come Sen. Burton K. Wheeler. Both he Sen. Pat McCarran further questhe right of the State Dept. and to bypass the Senate and ratify Bermuda accord as an executive ement, preferring to consider it a which would thus require ratifiby the Senate.

elations Improve - International ements and procedures in respect to hus, the uency of schedules, landing rights, Bosto mute allocations and changes have is doub greatly improved as a result of the estic far muda meeting, and hopes are still that the rate-making aspects of inational aviation control can be ed satisfactorily.



NOTICE TO OPA: YOUR SLIPS ARE SHOWING

Continuing its campaign against OPA's price policies, the National Retail Dry Goods Assn. threw open its second "chamber of horrors," or exhibit of price inequities, in Washington this week. Argument centered about a slip shown by Benjamin H. Namm (left), association head, to Rep. Fred Hartley (center) of New Jersey, and Robert A. Seidel, W. T. Grant vice-president. It's of voile crepe, made by a newcomer, is priced \$42 a doz. The one on the left (with admittedly less lace) is also voile crepe, is of prewar quality, is made by an oldline house but has a price ceiling of \$15.75 or less than it costs to make. That's why established manufacturers are going out of business, says N.R.D.G.A. Like the first exhibit (BW-Nov.17'45,p85)—branded "phony" by Chester Bowles. then Price Administrator—the current one doesn't identify makers.

A-Bomb Warning

As the Army reasserts its authority, opponents of military control declare we must decide on "One World or None."

While the House Rules Committee prepared to bring to the floor the longpigeonholed, War Dept.-sponsored May-Johnson bill for control of atomic energy (BW-Nov.10'45,p17), the Senate Special Committee on Atomic Power this week added sharp military teeth to its opposite number, the liberal McMahon bill favored by scientists (page 5).

Still fighting military, nationalistic control efforts, scientists saw these moves as the culmination of a series of steps designed to cut from under them the ground they had gained in their

battle for civilian control.

• Pattern Seen-Parts of the same pattern, they feel, are the terrific play given the Canadian atomic bomb spy scare; the report of Chairman John S. Woods of the House Un-American Activities

Committee that an atomic spy ring is active in this country; the statement of Maj. Gen. Leslie R. Groves, A-bomb project head, that loose talk among scientists is responsible for leaks in our biggest military "secret"; and Secretary of War Robert Patterson's indorsement of the bill after President Truman had indorsed the scientist-approved Mc-Mahon bill for an all-civilian control commission (BW-Jan.12'46,p20).

The scientists are not taking this turn of events lying down. They are becoming more and more outspoken in their criticism of the May-Johnson bill and of the entire present military policy regard-ing atomic energy, with its "blackout" of practically all information of interest to the scientific and industrial world.

• Hutchins' Blast-Chancellor Robert M. Hutchins of the University of Chicago signaled the scientists' revolt last week when, in a radio address, he delivered the most forthright attack the public has yet heard against "those who are deceiving themselves-and the country."

Long at swords' point with Gen. Groves, Hutchins assailed the general for maintaining that atomic energy must be treated as a weapon until permanent

peace is assured. Hutchins averred that such a policy would foster "an armament race in atomic weapons [that] will end all hope for civilization," and pleaded instead for international cooperation and an eventual world government, as well as for free research. He cited "untold blessings" which can accrue when medicine and industry are permitted to develop atomic energy for peacetime pursuits.

· Unity or Destruction-Another eloquent and even more powerful argument in behalf of civilian instead of military supervision, of world rather than nationalistic control, is scheduled next week with the appearance of "One World or None" (Whittlesey House, \$1.00), a symposium by 15 scientists (including five Nobel prize winners), Gen. H. H. Arnold, and Walter Lipp-

mann.

This blue-ribbon panel has collaborated in a volume which recites, chapter by chapter (each written by one or more of the specialists), the basic problems inherent in nuclear fission, its wondrous potentialities for peacetime application, its terrible destructiveness, the futility of any defense, and the imminence of the dangers it presents.

· Cheaper Bombing-Gen. Arnold, drawing on cost estimates propounded by J. R. Oppenheimer and on known costs of the air war against Japan, expects atomic bombing to be six times cheaper than conventional bombing, with future air wars producing more than \$300 of

damage for every dollar spent. Frightening revelations are manifold

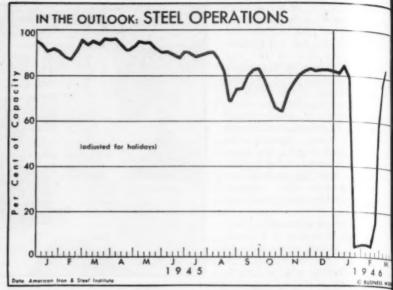
in the book; a saboteur could carry a bomb in a case no larger than that needed for overseas shipment of a typewriter. Any one of several determined foreign nations can produce the A-bomb in about five years.

• What Would We Think?-Irving Langmuir, one of a group of scientists who visited Russia last summer, tells of the Soviet researchers' free, friendly, internationalist attitude and contrasts this with the subsequent troubles between Anglo-American and Russian statesmen. Then he poses the question: "What would American public opinion now be if we had had no atomic-energy development, but if near the end of the war, atomic bombs had been dropped on Berlin by the Russians without adequate consultation? Would our insecurity be entirely relieved if the Russian government, a few months later, had announced that it held an increasing stockpile of atomic bombs as a sacred trust?"

Langmuir recommends destroying all A-bombs and production plants "if these should, prove serious stumbling blocks in reaching effective world control and

necessary inspection."

· Atomic Race-Similarly, Harold C. Urey, warning that the world already is engaged in an atomic armament race,



With the rate of operations in steel hitting 83.6% of capacity this week, industry is now back to its prestrike level of production. During the to weeks of the strike, the rate averaged 6%. However, the speed with which industry has come back cannot alter the fact that steel lost will not be made -not in the immediate future when demand will be far in excess of supp The 7,000,000 tons of unused government-owned capacity, together will 3,000,000 tons of unlikely-to-be-used, specialized steels, place a ceiling on the rate at 90%. And don't forget that 3,600,000 tons of obsolescent capacity ha been retired (BW-Feb.16'46,p9). And, should there be a coal strike (page 10) most mills would be forced to close within a month.

describes the May-Johnson bill as "similar in intent and effect to the transfer of power from the German Reichstag to

The members of the "league of frightened men" are quick to concede that there is no pat method to resolve the problem of international cooperation to maintain world peace. Two of the scientists, Leo Szilard and Albert Einstein, along with Lippmann, essay some suggestions. But these may be regarded as starting points for discussions.

Withheld-Meanwhile, Information information about products and proc-esses which could be of value to industry and science still is being held under close military security regulations. And many engineers are now becoming as restive as the scientists.

The Tolman committee report, recommending that data not revealing Abomb construction or production secrets be made public, (BW-Feb.16'46,p7), still is pigeonholed. And it remains an open question whether similar treatment will be given a second report, just prepared by a Groves-approved committee, on methods for international control of atomic energy. Persons familiar with its purposes feel public interest could best be served by apprising the world of its broad aspects and recommenda-

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OPA concession to cove wage boosts may be follows by company pleas based on ste rise and other cost increases.

New automobile industry represent tions to Washington on automob prices as a result of general higher man facturing costs are likely to follow the week's announcement of price increase based specifically on the auto concern

own wage advances.

Ford, Chrysler, and Hudson w given permission by OPA early in week to sell cars made on and at Monday at adjustable prices, the in levels to be determined later. In meantime, invoices from factories dealers, and from dealers to custom will carry a proviso for subsequent ward revision based on OPA action. • Further Relief-But this was app ently only the beginning. Suppliers, cluding the steel mills, are now comi to the auto companies with increase

quotations, and under present regu tions these appear to be grounds further price-relief appeals by the an makers. Some in the industry belief refore, that a series of price adjustnts may be forthcoming as produc-

n continues.

The auto industry did not see too my problems in a situation in which is made from Monday forward would at more than identical models made the preceding period. Some thinking is that sales are being made so rapidly at dealers will only rarely find themputes with two identical cars with difference the price tags on their floors at the same

An Obvious Problem—But the adjustaprices, requiring added payments to made after deliveries, obviously posed e problem. Dealers can be expected check on their customers much more refully than before, to be sure of colting added assessments later.

The extent of the price increase to based on the wage raises granted by ord, Chrysler, and Hudson was obure. Generally, the raises by thembes increased production costs about 6. On that basis, a 5% jump in prices along the line was logical. However, ere was no indication whether autompanies had petitioned OPA for relief radded costs beyond the direct wage creases.

At Least 12%?—The view was widely id in the industry that ultimately the arent enlargements in costs of all sorts ould require at least a 12% gain in

rices.

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nds fi ne an believ Broken down, this 12% would inude: (1) the 5% already accounted for
y direct wage increases in the auto
idustry; (2) probably another 4% for
e steel price increase and others which
opear likely to follow it as a result of
the new national wage pattern; (3) a
mainder accounted for by enlarging
diministrative and operating expenses,
cluding fixed charges.

(One company, having figured careully its cost of steel per car, has conluded that in that category alone, its laterials bill has risen 9.36%.)

Meanwhile, the vehicle makers are teed with price problems on a new ont. Washington reports that new nice orders on trucks are impending.

A Different Situation—As contrasted ith the fairly limited increases allowed in passenger cars, truck ceilings are onsiderably higher than on prewar nodels. This is because these ceilings are set up on the basis of the limited roduction which prevailed last year when output of civilian trucks was first emitted. Since then truck volume has sen modestly, but is still well below rewar norms.

Now, however, OPA is recognizing his increased volume and the savings timplies. Part of the burden of low-red prices will fall on dealers, who will bsorb some of the cost increases as they id on passenger cars, but by far the major share will be on manufacturers.

G.E. Monopoly?

Antitrust case on trial in Trenton may fix the competitive pattern for light bulb industry after years of legal sparring.

Now that the wartime brake on its trust-busting activities has been released, the Justice Dept. is eagerly getting down to its backlog of unfinished business

At the top of the list is the longpending suit against the domestic electric light bulb industry, which went to trial this week in federal court in Trenton, N. J.

• Case Dates From 1941—The Justice Dept. originally filed a civil complaint against General Electric Co., Westinghouse Electric, Corning Glass Works, and nine other concerns in the industry early in 1941, charging a conspiracy to fix prices, and restrict production (BW—Feb.1'41,p23). After several months' stalling, the suit finally was put off, at the request of the armed services, until the end of the war.

For several reasons, the electric light suit is particularly dear to the trust busters' hearts. In 1926, the U. S. Supreme Court upheld the two principal defendants in the present action, General Electric and Westinghouse, against Justice Dept. charges of illegal price fixing of light bulbs.

• Within the Law-The court held that the system whereby G.E. licensed Westinghouse to manufacture bulbs under its patents, subject to price and quota restrictions, and under which both companies retained tight control over the marketing of the bulbs through a system of agency agreements, was well within the law.

This decision, sanctioning price-fixing under patents, has been a landmark in the patent law-and a stumbling block in the Antitrust Division's cru-

sading path.

Subsequent Supreme Court decisions, in cases involving the Ethyl Corp. (BW—Mar.30'40,p17), Masonite Corp., and Univis Lens Co. (BW—May16'42,p28), have whittled down the stature of the old G.E. decision, but there has been no clear-cut reversal.

• A Different Case—Even if the court's ultimate decision in the present case favors the government, it will still not necessarily nullify the earlier decision. The particular patents upon which the 1926 suit was based have since expired, and the Justice Dept.'s charges in the current case are not parallel. (Some ob-

SHORTCUT TO THE SKY

With added thrust from two Jato rocket-assist units, Lockheed's speed demon, the P-80 Shooting Star, gets off at a 45-degree angle (right) at Van Nuys airport, Calif. Shortest takeoff with the rockets (below) during the experiments by Air Technical Service Command was 1,185 ft., about 40% of the normal run for a lightly loaded P-80. The "assists" developed 2,000 lb. of thrust for 12 to 15 seconds to supplement the 4,000-lb. thrust which was supplied by the General Electric I-40 jet turbine engine.





servers believe that the trust busters have deliberately sought to avoid a head-on collision with the old G.E. decision.) Nevertheless, a favorable ruling in the present case would be a source of particular satisfaction to the Antitrust Division.

The light bulb suit may prove important in still another respect. It may provide a reasonably clear-cut answer to the question, How much is h

monopoly?

• Too Much?—As the Justice Dept. sees it, the 60% of domestic incandescent light bulb production which G.E. itself accounts for, plus another 30% which the trust busters contend it controls through its licensing agreements with other companies, constitutes a monopoly. Termination of G.E.'s arrangements with competitors would still leave the company in full control of better than half of the country's light bulb output. In the Justice Dept.'s opinion this is too much. How much too much would be for the courts, to decide.

Even this early in the case, the trust

busters are feeling pretty cocky. Corning bowed out of the suit last week just before it went to trial by signing a consent decree which Antitrust Division lawyers regard as one of the "best" they have ever extracted.

• Corning's Terms—Accused by the Justice Dept. of mutually conspiring with G.E. to protect each other's business, Corning has agreed to unrestricted, royalty-free licensing under existing patents; to unrestricted licensing, at a reasonable royalty, under future patents taken out before Jan. 1, 1950; and to furnishing "know-how" to licensees. Corning has agreed to sell its glass bulbs, tubing, and cane at nondiscriminatory prices and without showing any other favoritism.

Westinghouse had similarly removed itself from the case, as long ago as 1942, by means of a consent decree, although one that is somewhat less sweeping, since many of its provisions are contingent upon what disposition the courts finally make of C.E.

• Fighting It Out-Thus G.E. is the only one of the principal defendants

left to fight it out. There is now list doubt that the company intends to a just this. Negotiations between the company and the Justice Dept., looking ward a settlement without litigation broke down several months ago. It is reasonable guess that Justice's instence upon G.E.'s divesting itself of goodly part of its light bulb busing was the principal stumbling block to a settlement.

G.E.'s willingness to meet the tunbusters part way is indicated by the company's action, taken mutually will Westinghouse last summer, in terminaling the old licensing agreement between the two concerns and substituting a simple, nonexclusive cross-license under patents and patents pending as of Au 1, 1945 (BW-Aug.11'45,p84).

• Price Curbs Lifted—The new agreement eliminates price and quota restrictions. It also does away with Westing house's access to G.E. "know-how which made this company the on G.E. licensee entitled to use the trade name "Mazda" on its lamps.

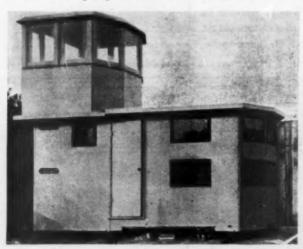
A further concession to Justice Dent

No Palaces on Veterans' Royal Road to Learning

During the war the nation's campuses were half empty, and many colleges faced a complete shutdown. Now, returning veterans, taking advantage of the G.I. Bill of Rights, are rapidly pushing national enrolment in higher educational institutions to a new record—and being housed in everything from remodeled chicken coops to the presidents' official residences.

An estimated 300,000 veterans were attending colleges and universities on Mar. 1. This figure is expected to reach 750,000 by Sept. 1, when national enrolment may be double that of the 1944-45 low and 25% greater than in the academic peak year of 1939-40. But 70% of U. S. colleges have already reported an acute shortage of accommodations.

What these statistics mean to college housing administrators is shown, for example, at Michigan State College in East Lansing (right), where 500 ex-servicemen were





bunked in the gymnasium. New Orleans' Tulane University recently took newspaper advertising space begging local citizens to rent their finished attics or other unused space to its 1,200 veterans. But such measures are only a partial solution, especially since large numbers of married veterans want to bring their families along with them. Many colleges have acquired Quonset huts to house the overflow or are using nearby Army barracks (in one case a former prisoner of war camp), while others are resorting to old buses, disused streetcars, auto trailers, and prefabricated units which were formerly used by war workers.

Probably unique among college housing expedients, however, is the colony of 93 tugboat deckhouse units set up at Alabama Polytechnic Institute (left), which has 1,620 veterans enrolled as against 480 in the last quarter of 1945. The deckhouse cabins contain four bunks, and the glass-inclosed pilot house is planned as a study room. Institute workmen are experimenting with alterations to discover whether the units can be made

suitable for family use.



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thinking is seen in G.E.'s decision tually to drop the use of the Man name itself. As the trust busters see the Mazda name, having erved h masters, has been abused and should discontinued. From G.E.'s point view, its usefulness under the m competitive conditions which seem lie ahead for the company may be son what limited by its past associate with the name of Westinghouse as we as G.F.

• Agreements Lapse-Agreements will other G.E. licensees, including Sylvan Electric Products, Inc., and Ken-Ro Tube & Lamp Corp., were not renew when they ran out at the end of 194 These companies are now operating to der a letter which promises only the G.E. will not sue for damages without notice.

Coming more or less simultaneous with the end of wartime restrictions of light bulb output, the termination the old G.E. agreements already is bear ing fruit in a burst of advertising and general stepup in competition. Manu facturers in the industry do not la to speculate on where too much com petition might lead.

• How Low?-One of G.E.'s stronger cards in the antitrust action is the pr ent low price to the consumer of labulbs. "What could be less than for a 60-watt bulb?" manufacturers as In a period of rising costs, they do no find the answer "five cents" comforting Bulb producers can be expected to make every effort to continue to keep prior in line.

The incandescent light bulb busines was long-established before the Anti trust Division stepped in, but the tru busters are determined to forestall as monopolistic tendencies in the fluore cent light industry. A companion si covering this field and involving man of the same companies is backed up be hind the present action of the Ant trust Division.

CIVILIAN HELICOPTER SOLD

What is said to be the first sale of commercial helicopter was made by the Bell Aircraft Corp. this week to an u named drug manufacturer, follows award to Bell by the Civil Aeronauts Board of the first airworthiness certi icate for helicopters.

The two-place machine, under d velopment for more than five years, se for about \$25,000. Bell has received in quiries from every state in the count as well as from many foreign countries and a large number of orders are no pending on which confirmation is e pected soon.

No aircraft may legally be sold by a American manufacturer until it has bee pronounced airworthy by the Civil Aen nautics Board.



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The light-transmission properties of PC Glass Blocks direct ample diffused daylight to areas remote from light openings. So you increase productive floor space, save artificial lighting costs.

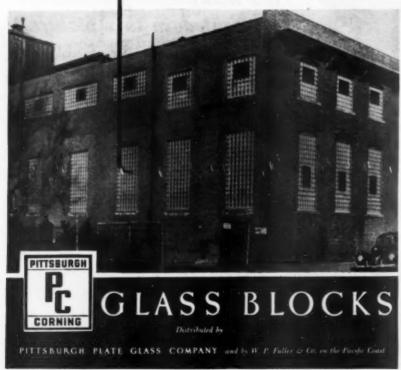
The dead air space in PC Glass Blocks gives them definite insulating value, cuts down heat losses, helps to control temperature, humidity, and condensation. So you save on fuel cost, reduce wear and tear on heating and air-conditioning equipment.

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PC Glass Blocks are quickly and easily cleaned. They do not break readily, rarely need repairs or maintenance. They eliminate window sash, which frequently rots, warps, cracks, corrodes and needs repainting—save repair and maintenance costs.

Before your building or remodeling plans take definite shape, find out how plant owners all over the country have brought better lighting, greater efficiency—and rock-bottom economy—into their factories and offices, with PC Glass Blocks. Write to Pittsburgh Corning Corporation, Room 321, 632 Duquesne Way, Pittsburgh 22, Pennsylvania.

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Onions en Route

Early spring shipments will help break black market Supply of other vegetables is expected to be above average

Onions will be coming to norther markets in about two weeks as the has binger of other big vegetable crops no ripening a little earlier than usual in California and in Texas, Florida, and other southern states.

other southern states.

Their arrival is expected to put a crimp in the black markets in onion which have flourished since January, due to the severest scarcity since 1931-32. Big demand depleted stocks heavily due ing the winter.

• Larger Harvest—Estimates for spring vegetables and melons, based on 50% of the acreage, promise production 8% above last year, and 18% above in 1935-44 average. Cantaloupe, hone dew melons, and late spring onions will be especially plentiful. So will summer onions and watermelons.

Carrots, lettuce, asparagus, and call flower will be 10% above last year's ton nage, and with cabbage, spinach, and beets will swell the spring vegetable totals to about 2,000,000 tons compared with 1,866,000 in 1945 and the ten-year average of 1,497,000.

Winter vegetables raised in the South and West totaled 5% less than the preceding year, 1,500,000 tons, but 44% more than the ten-year average Most have already been eaten or an on their way to market.

• Fewer Gardens—Early strawberns appeared on northern tables this month and will be more plentiful if present weather continues. Total production is estimated at 1,466,000 crates compared with 1,045,000 last year, but the output will be 16% below the ten-year average.

High prices for watermelons last summer prompted farmers to plant more acreage, an all-time high of 224,300 of 14% above last year's early summer varieties which will probably result in lower prices. In addition, 43,500 acres of late spring watermelons have been planted.

This spring's good vegetable outlook has been achieved despite labor short ages, machinery difficulties, fertilized problems, and other hangovers from wartime. Indications are that fewer families have planned Victory gardenthis year, and it's probable that ample spring crops will cut the number further. City folks tend to forget the hard and of summer and fall plantings. Commercial growers hope abandonment of home gardens will help to sustain prices.

• California Leads—Spring truck crop come largely from three states. Last

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year's tonnage (with the ten-year average in parentheses) was: 2,359,200 (1,655,500) from California, 850,000 (569,000) from Texas, and 772,000 (503,500) from Florida. Acreage was: Texas 370,000 (266,040), California 369,000 (348,000), Florida 207,600 (157,670). Because of irrigation and intensive cultivation, California produces more per acre than most states.

duces more per acre than most states.

About 90% of southern truck comes north to market. It's almost impossible to buy a quart of strawberries in Louisiana, as residents know. Texas ships mainly to the Mississippi Valley, Florida to the East Coast cities, California all

over.

Ford Divests

Auto manufacturer drops unprofitable sidelines in plan to dispose of operations not essential to making cars.

Very quietly the Ford Motor Co. is stripping itself for more profitable action, selling or otherwise disposing of nonessential operations which have operated in red ink. Under the presidency of Henry Ford II, the company is getting out from under the expensive sideline luxuries that have been a drain on the primary business of selling cars at a profit.

 Many Sidelines—Ford has always earned a far lower net return, so far as can be gathered from the balance sheets filed annually in Massachusetts, than any other important automobile company. The reason generally ascribed was not that the company was less efficient than its competitors, but that it engaged in too many sidelines.

Years ago there was one important movement toward divestment, and at that time the company unloaded many properties not directly connected with its automobile manufacturing business, notably its control of the Detroit, To-

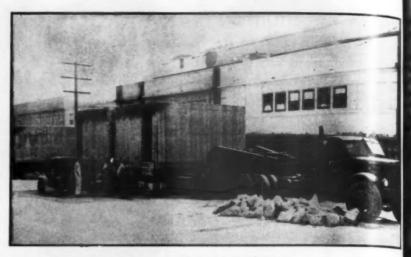
ledo & Ironton R.R.

• Trimming the Fleet—Today the development is going forward in less conspicuous but more widely spread fields.

The most evident is in the reduction of

the Ford fleet.

Before the war this fleet included 32 vessels—lake carriers, ocean ships and canal boats, and a few accessory tugs. Today the total is down to seven, many having been sold to the government during the war. Four of these seven are now reported to be for sale, leaving only the Henry Ford II and the Benson Ford, large diesel-propelled cargo carriers on the Great Lakes, and the Ormoc, a 2,422-ton ocean-going vessel which will be retained for coastal shipments of cars.



ANOTHER PROBLEM IN SURPLUS DISPOSAL

Off to the dumping grounds in San Fernando Valley go the last vestiges of Lockheed's precautions against air raids that never happened—300 bomb proof shelters. Lockheed built them at Burbank, Calif., in 1942's dark day, now finds that in removing them it has to get rid of 67,000,000 lb. of remforced concrete—with no salvage value. The big boxes, except for a few kept for storage purposes, are being halved with air guns, then trucked away.

Indicative of company thinking is the planning behind sale of the tug owned by Ford to pilot its ships in and out of the Rouge River to the plant docks. Rated perhaps the best in Detroit harbor, it will be sold on the theory that it is cheaper to hire a tug when it is needed than to own one in infrequent use.

• Others Likely to Go—The wood distillation plant of the company in Iron Mountain, Mich., may be sold soon. This plant produced charcoal briquettes and chemicals including tars, oils, acids,

and alcohols.

The fate of the company sawmills at five Michigan Upper Peninsula points is uncertain. But it is quite possible that the 350,000 acres of virgin hardwood timber owned by Ford will no longer be logged by the company, but will be made available for leased logging in an effort to increase the net return.

At the Rouge plant the tire factory was disassembled early in the war and moved to Russia. There is little likelihood that any resumption of tire making will be undertaken by Ford—again a matter of comparative savings. The same may prove true in the manufacture of plate glass at the Rouge, although sheet glass will continue to be made at Minneapolis.

Weeding Out Process—Research projects out of the automotive sphere are gradually being abandoned at Dearborn and River Rouge. A project on antibiotin research, carried on with Michigan State College, has been completed. No new projects are in sight on soybeans,

a greatly publicized prewar activity a Ford.

Lumber salvage is being eliminated; it has been found more efficient to sell the remnants than attempt to utilize them. The company is no longer making crossote-impregnated blocks as a part of its

salvage program.

• Watching the Costs—Not all the Ford nonautomotive activities will disappear. Right now the Rouge paper mill a being modernized and built up. Plans are being moved forward to add a new stripper building to the steel mill, whelp drive that operation into significant black figures. Other nonautomotive work, too, will be continued, but the criterion will be whether it can help income balance outgo in today's can of rising costs and ceiling prices.

KANSAS TALKS REPEAL

Kansas, dry during 65 of its 85 year of statehood, is seething with a campaign for repeal. The move was one nated as a matter of political expediency by Democrats who hope to ride to victory on this popular issue in next fall's gubernatorial election.

Traditionally Republican and conservative Kansas, famed as a scene of Carre Nation's hatchet work and belligerent temperance, has found prohibition a costly and losing game. Interstate runrunning, bootlegging, and under-the table sales have skyrocketed. Wichtawith its wartime population boom, and Kansas City, constantly chagrined by the appeal of its wet neighbor across

SINE

Missouri line, are hotbeds of repeal

Principal arguments are the hopelesss of enforcement and the state's need the \$8 million to \$10 million revte that liquor licensing would be ex-ted to bring. State-owned liquor res are proposed. Proponents of rel suggest that the new revenue would ble Kansas to abolish its unpopular sales tax, possibly to eliminate

14-per-gal. gasoline levy. McDonald, former state senator, Harry H. Woodring, former govor and one-time Secretary of War. codring is being discussed as a posle candidate for governor.

Men's Suits, Soon

Rush of clothing to retail cks is in prospect, now that PA has let manufacturers know here they stand on prices.

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Plans

Relief from the famine in men's suits come within two weeks when procers begin rushing clothing to retail ks as the outcome of a new governent pricing technique.

From 500,000 to 1,000,000 veterans d civilians should find at least one w suit of clothes available by Apr. 1. ore will follow.

Without Magic-No magic formula sused in thawing the "freeze" on m's clothing shipments. Since late cember, garment manufacturers knew at a change in pricing methods for ored clothing was on the way. They

ped that perhaps this would mean

higher prices, and proceeded to hoard large quantities.

Retailers really began to feel the shortage in January, and public sentiment began to mount against what seemed inexcusable treatment of returning veterans.

This week, OPA gave the garment trade the go-ahead by permitting higher markups on low-priced suits, and forcing profits down on more expensive ones. Officials say that this will mean no general rise in prices. Consumers may have to pay \$37 for a \$35 suit, but may get a \$65 suit for \$60. This, OPA reasons, will bring out lower priced suits.

• Now They Know-Suit makers, while not entirely happy, at least know where they stand, and can begin to move inventories out to retail stores. It will not be before the end of the year that all racks are filled, since it is estimated that about 35,000,000 suits will be needed to meet this year's minimum needs. In addition, approximately 8,000,000 suits will always be needed to keep distribution channels well oiled.

No immediate relief from the shortage in men's shirts, shorts, and pajamas is in sight. OPA has just given the cotton textile industry a price increase designed to spur production of material needed in popular priced men's cotton wear, but government estimates are that it will take at least until June 30 before cotton threads its way from loom to

• Also in Prospect—The government is not stopping at this point. Veering from post-V-J Day strategy to drop controls wherever possible, plans now look toward further implementation of industry restrictions. Mills which supply women's rayon hosiery producers may shortly be instructed to deliver specific

Total

Fuel. Ice. House

Speed Sweep

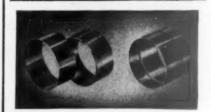
Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is 1/4 usual size = easier to handle. Tufts of longer, better fibres are more compact - provide "spring and snap" action. Handle instantly adjustable to height of sweeper - reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

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Here is a job that calls for exceptionally fine tolerances. The thin-walled ring had to fit snugly over the thick-walled ringa free fit . . . but not loose. Not only was it necessary to hold close tolerances for size, but also for accurate concentricity. From the selection of special steel bar stock, through the machining, heat treating, grinding, and inspection operations, this was a typical Ace precision job.

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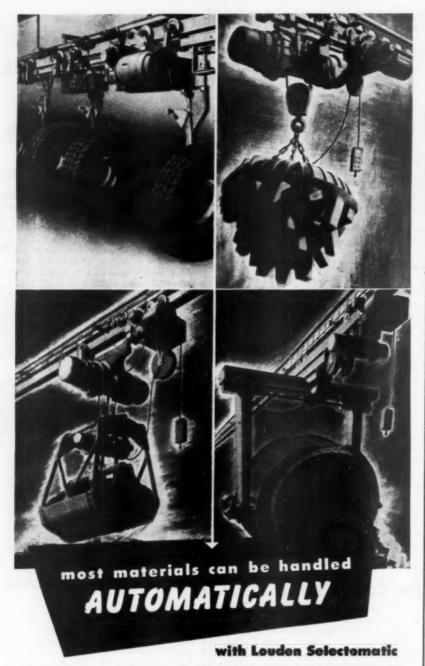
1211 S. ERIE AVENUE, PHILADELPHIA 24, PA.

What's Happening to the Cost of Living

				& Elec-	Fur-		Cost of
	Food	Clothing	Rent	tricity	nishings	Misc.	Living
August, 1939	93.5	100.3	104.3	97.5	100.6	100.4	98.6
January, 1941*	97.8	100.7	105.0	100.8	100.1	101.9	100.8
January, 1942	116.2	116.1	108.4	104.3	118.2	108.5	112.0
January, 1943	133.0	126.0	108.0	107.3	123:8	113.2	120.7
January, 1944	136.1	134.7	108.1	109.5	128.3	118.4	124.2
January, 1945	137.3	143.0	108.3	109.7	143.6	123.3	127.1
February	136.5	143.3	108.3	110.0	144.0	123.4	126.9
March	135.9	143.7	108.3	110.0	144.5	123.6	126.8
April	136.6	144.1	108.3	109.8	144.9	123.8	127.1
May	138.8	144.6	108.3	110.0	145.4	123.9	128.1
June	141.1	145.4	108.3	110.0	145.8	124.0	129.0
July	141.7	145.9	108.3	111.2	145.6	124.3	129.4
August	140.9	146.4	108.3	111.4	146.0	124.5	129.3
September	139.4	148.2	108.3	110.7	146.8	124.6	128.9
October	139.3	148.5	108.3	110.5	146.9	124.7	128.9
November	140.1	148.7	108.3	110.1	147.6	124.6	129.3
December	141.4	149.4	108.3	110.3	148.3	124.8	129.9
January, 1946	141.0	149.5	108.3	110.8	148.5	125.2	129.9

*Base month of NWLB's "Little Steel" formula.

Data: U. S. Bureau of Labor Statistics; 1935-39 = 100.



Any bulk or quantity material handled regularly between points and through processes can be handled automatically by means of Louden Selectomatic Control . . . a new principle in unattended transport of materials. The savings and acceleration of operations are so imposing as to warrant your immediate attention. Write now for further information. THE LOUDEN MA-CHINERY COMPANY, 5211 S. Superior Ave., Fairfield, Iowa.

LOUDE SELECTOMATIC DISPATCH

For the automatic and unattended handling of materials

quantities of the yarn no essan s crease rayon hose output

Master plans for channe ang lon cotton, wool, and rayon fabrics to cal apparel items will continue at until June 30, the present deadlin the CPA's powers.

For Carbon Blad

Widening market is seen industrial users swing into a duction stride. Increases in pacity will be absorbed.

Despite the tremendous warting pansion in carbon black production pacity, much of it within the past (BW-Mar.31'45,p20), indications that output in 1946 will just a meet requirements.

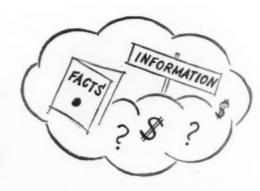
Principal reason for this sustin high demand is the requirements of tire and rubber manufacturing in try, which uses carbon black copie to impart toughness and abrasion sistance to rubber. But there are n than 70 other commercial uses, and requirements of such industries as trical, ink, paint, and plastics are pected to increase as their product

• Capacity Doubled-Carbon manufacturing capacity in the Un States now approximates 600,000 tons annually, double that of pryears. While there has been som duction in furnace black capacity this process natural gas is can at high temperature), demand channel black (made by burning with insufficient oxygen in char containing thousands of small burn continues to increase. And the process has been improved so the lb. of black are obtained from l cu. ft. of gas, against less than la few years back.

Carbon black makers are pro by use of synthetic rubber in tires, they require 30% to 50% more bon black.

• For Example-One big tire maker about 3.50 lb. of carbon black in 6.00x16 synthetic tire, against 2.7 in one made of natural rubber. this increase runs into sizable qua ties when applied against the 1946 duction quota of 66,000,000 tires -Jan.12'46,p21).

Texas, with two-thirds of the carbon black production, and th maining major producing states-sas, Oklahoma, New Mexico, and fornia-are still encouraging the u sour natural gas, petroleum, and si fuels in their production, with state ulatory bodies exercising close con to prevent waste.



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... before you sign up

Check off on your five fingers these benefits of Better Air Conditioning—cooling*, debumidification*, filtration, circulation, ventilation. Five, right? Don't settle for less.

Get them all...get them adequately ...with G-E Better Air Conditioning, installed to G-E standards. Your customers will appreciate clean, fresh air, circulated gently, cooled comfortably, and minus uncomfortable humidity. Surveys show they'll buy more, too.

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Only better air conditioning gives you these FIVE

- Cooling*... Ample cooling capacity to maintain the right temperature even on hot days.
- Dehumidification*...has enough machine capacity to dry the air as well as cool it... effectively feduces mugginess due to humidity.
- 3 Filtration . . . Has a big enough

filter to remove dust and dirt ... to save many a dollar in cleaning expenses.

- 4 Circulation... Gently circulates the right amount of air to give even temperature throughout,
- Ventilation...Introduces plenty of outdoor air... maintains a clean fresh atmosphere indoors.

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*In winter, Better Air Conditioning heats and humidifies.

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Better Air Conditioning

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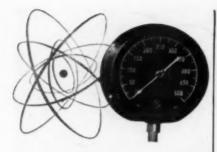
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Picture of Atom!

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Pressure was one of Nature's primal processes. It is science's latest.

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Glass Trust Suit

Latest case to be filed against Hartford-Empire et al. alleges conspiracy against firm that was sold in 1943.

The glass container industry, still under fire from the Dept. of Justice over patents (BW-Apr.7'45,p28), had another antitrust suit on its hands this week

Defendants in the action, which was filed in federal district court in Pittsburgh, were Hartford-Empire Co., Corning Glass Works, Owens-Illinois Glass Co., Hazel-Atlas Glass Co., Thatcher Mfg. Co., Lynch Corp., and Ball Bros.

• Damage Claim—The suit was initiated by former stockholders of the J. T. & A. Hamilton Co., who seek trebled damages amounting to \$1,953,260 for injury to the company's business and properties in western Pennsylvania.

Similar federal court action suits had been filed previously, against the same defendants, by the Turner Glass Corp. of Indiana (seeking \$15,000,000), the Three Rivers Glass Co. of Three Rivers, Tex. (seeking \$4,050,000), and the Glenshaw Glass Co. of Glenshaw, Pa. (seeking \$1,800,000).

• Out of Business—Glenshaw is still a going concern, but the other suing companies were out of business prior to the decision by U. S. District Judge Frank LeBlond Kloeb which, at a modition by the Supreme Cour (BW-) 13'45,p21), finally led to a order the return of some \$13 00,000 patent royalties to Hartford licens (BW-Oct.13'45,p34).

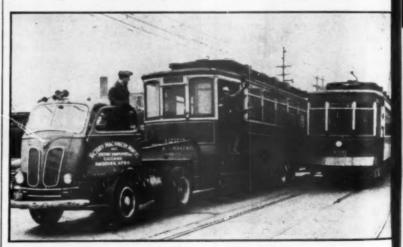
The latest suit alleges that the fendant companies conspired against Hamilton company by monopolin patents and machinery used in the mufacture of glassware. It also charthat patents and machinery werd at trolled and pooled to prevent Hamilton selling glassware. This, it is leged, was accomplished through licensing system and the giving of funds to some of the defendant or panies.

• Kick-Back?—One of the main contions of the Hamilton suit, accord to the attorney who prepared it, is the while Hamilton was paying patent to ties, Hazel-Atlas—supposedly paying a alties, too—was actually getting a refu which amounted to more than what paid in

The Hamilton Co. was sold in Ja ary, 1943, to the Knox Glass Associat Inc., but among the assets retained shareholders were claims against He ford-Empire and the other defenda arising out of transactions prior to sale.

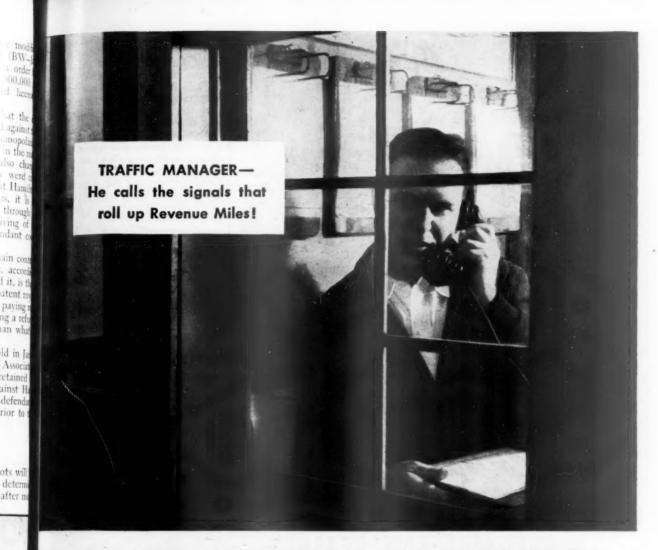
LICENSE LAW FIGHT

This week end the first shots will fired in a legal battle to determ whether the Chrysler Corp.—after m



VETERAN TROLLEYS FOR VETERAN HOUSING

An ancient Chicago streetcar heads for a city junkyard, where it will await new life as a home or lunchstand—if any veteran wants to buy it. The bar rupt Chicago Surface Lines, which plans a \$22 million program calling for 6 new streetcars (BW—Dec.29'45,p21), is selling its oldest ones for \$300 cm Thus it is clearing the tracks for the proposed streamliners and at the same time offering a possible relief from the housing pinch. Cincinnati landless are also finding the discarded trolleys a boon. One owner bought four for \$100 apiece, is transforming them into two-room apartments, has rented them a



ASK THE FLEET'S QUARTERBACK-Kellys help make money, too!

The men who total up the costs like Kelly's toughness. The men responsible for smooth operation of the fleet like their dependability. It means fewer delays—more revenue miles!

That's been true for years and it's true today. The New Kelly has the latest improvements in shape, design, materials—more rayon cords to the inch—extra rubber between plies—a new design that relaxes tread rubber

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instead of stretching it!

But, most important, it has the feature that has made Kelly "the trucker's tire"... the quality that results from 52 years of tire craftsmanship—from extra skill, extra care through every step of the manufacturing process!

THE KELLY-SPRINGFIELD TIRE CO. Cumberland, Maryland

Fleet Records show "Kellys are Tough."

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Industrial Division

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WAYNE AIR COMPRESSORS

than 15 years of refusing to do so-may comply with a Wisconsin law require auto manufacturers to obtain stallicenses to do business (BW-Jul.84 p90). Although other manufacture have complied, Chrysler has maintained that the state is without jurisdicting over an interstate operator.

Until recently, the state let it go at that. But about a year ago, administration of the statute passed from the State Banking Commission to the Mon Vehicle Dept., and the department a once got after Chrysler. Following paliminary correspondence, it now want an "adverse examination" pre-complaint investigation) of A. A. Engstrom Chrysler's division head in Milwauka and Chrysler has countered with a legitation of the state of the probe. Hearings are scheduled for the Saturday in Madison.

Wisconsin's unique law calling to manufacturers' licenses is an extension of the usual state laws licensing dealer only. The purpose of the statute supposedly is to keep a manufacturer from coercing dealers or unfairly canceling franchises. Chrysler thus far has made no public statement on what feature of the law it objects to, but obvious the huge motormaker resents the state attempt to check its books and contract and to regulate its transactions with dealers.

NEW AIR GROUP FORMED

A step in the development of the air freight business was taken this were with the formation of the Institute of Air Transportation by nine independent nonscheduled airlines.

Partial credit for the formation of the institute goes to Maj. Elmer Halett, former manager of New York's la Guardia Field. Tired of dealing with the requests and complaints of representatives of all the individual independents using the field, he suggested that they let a single spokesman handle their dealings with the field's management. The plan worked so well that the carriers decided to make it national in scope.

The institute is considering the possibility of setting up group maintenance service for members at major airfields throughout the country. It will act for the members in dealings with state and federal governments.

The nine charter members are American Air Express & Importing Co., National Skyway Freight Corp., Pacific Air Cargo Co., Trans-Caribbean Air Cargo, Trans-Marine Airlines, U. S. Air Lines, Veterans Air Express, Veterans Air Lines, and Willis Air Service. Two of the largest independent freight carriers—Slick Airlines of San Antonio and Air Cargo Transport Corp. of New York—are not members.

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Costlier Driving

States are already raising their gasoline taxes to finance their part of U.S. road program. Price of construction soars.

Highway users who expect to benefit by the \$1,500,000,000 roadbuilding program authorized by the Federal-Aid Highway Act of 1944 (BW-Aug.11 '45,p58) are going to have to start paying for the privilege in advance.

Last year, three states increased their gasoline tax rates to obtain funds to match their federal allotments. Kansas followed this month, and several other states are likely to fall in line next year.

• Temporary?—Two of the 1945 state gas tax increases are temporary. ("Temporary" taxes, however, have often been extended beyond their original term; Pennsylvania, for example, last year ex-

tended for another two years its temporary 1¢-per-gallon tax, first imposed in 1935, which is in addition to the 3¢ regular tax.)

Idaho's 1945 increase from 5¢ to 6¢ per gallon is effective for two years, and Oklahoma's increase from 5½¢ to 7½¢ expires at the end of 1946. But Iowa's increase from 3¢ to 4¢ is permanent.

• By Proclamation—Kansas' increase from 3¢ to 4¢ is likely to be effective for several years, until the retirement of bonds authorized to match the state's federal allotment (up to \$10,741,432 a year for three years). The increase was established this month by governor's proclamation, as authorized last year by the legislature.

Kansas' oblique approach was prompted partly by delicacy about increasing taxes for postwar projects while the nation was still at war, but more by the sizable opposition the bill encountered. Farm organizations, originally its chief public sponsor, later opposed it because, unlike the state's existing 3¢

tax, it did not exempt gasoline for no highway use.

• Highly Controversial—Such exemptions have caused bitter controvers at the three states allowing them became of the inevitable loopholes for tax earning. In Kansas, exempt sales heretome have amounted to 40% of the total, in North Dakota the proportion is more like 60%; and in Oklahoma it is about 30%.

Most other states provide for refunding all or part of the tax paid on gaoline for nonhighway use.

• In the Making-Agitation to increase gasoline taxes—in some cases strong enough to come to a boil in 1947 has islative sessions—is evident in seven other states: California (now 3 e), Utal (4¢), Colorado (4¢), Missouri (2e), Massachusetts (3¢), and Connecticut (3e) Virginia's legislature is currently in the process of increasing the state's tal from 5¢ to 6¢.

These proposals will not escape opp sition. Ever since 1919, when Orego

Westgate: Shelter for Vets, Headache for M.I.T.

Massachusetts Institute of Technology engineers are aware there's considerably more truth than poetry in the old saw about the kingdom that was lost eventually for want of a nail. For want of a machine screw, the institute's own housing project (below) for student war veterans was bogged down for weeks.

• Trouble Galore—That lack was a mere sample of the string of obstacles—union opposition, strikes, material shortages, and building code restrictions—that beset Westgate over six months. The machine screw is still delaying occupancy of the 100 prefab units.

Produced by a company on strike, it's vital in a one-piece stove-refrigerator-sink unit (right) made by Parson Co., Detroit (not on strike). They're being delivered in small lots, installed immediately to permit another batch of veterans and their

families to move into the houses.

• Construction Blues—Regarding its housing venture as a means of putting its teachings to practical purposes, the institute ran into trouble early. A union demand for a closed shop at Ernest F. Hodgson Co., Dover, Mass., required a contract shift to City Lumber Co., Bridgeport, Conn.—which promptly found itself strikebound for three weeks.

Labor shortages necessitated use of workers unskilled in prefabrication tactics. How the project came by plumbing units, thermostats, and other rare items comes under the miracle category. Building codes were bypassed when the institute, which provided its own engineers for the job, pointed out that the 10-acre village was a temporary measure, agreed to tear it down in five years.

• Against Heat and Cold—While ex-

 Against Heat and Cold—While exteriors of the homes are mere clap-





board, double sheets of aluminum foil in walls, floors, and ceilings protect against temperature extremes. Plywood roofs are painted white to reflect the summer sun. Interiors are finished in painted wallboard, and heat is furnished by a gas-fired unit. Rents in the \$440,000 project are

S45 for the smaller units, \$55 for larger ones. Furnishings are utilitarian and simple but adequate for comfortable living and study. Electricity is included in the rent but not gas for cooking and heating.



E BRIDGE CRANE GOES TO SEA

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mmon in industrial plants, the overhead bridge crane is being tested in go handling on the Ingalls-built Sea Hawk (above) for comparison with enventional masts, kingposts, and booms employed for the past century. hree of the new Harrison cargo handlers, built by Harnischfeger Corp., ilwaukee, are installed over hatches on the fore part of the ship. Jibs hich turn outboard permit the traveling bridges to run out over a dock or hter; the cranes are fitted with trolleys which move fore and aft. The uipment is reported to be about 100 tons lighter than conventional gear, require less power, and eliminate deck obstructions. The big advantages ported are shorter turn-around time, lower port fees, and labor savings.

ablished the first state gas tax, to be owed within ten years by every state the union and in 1932 by the federal emment, opponents of such legislahave been vocal. Their ranks now hade automobile clubs, the automoe industry, the petroleum industry, mmercial carriers, consumers, and de associations in many fields.

avings Obscured-These groups point t that as the price of gasoline has clined, the savings to consumers have

en obscured by rising taxes.
A survey of 50 representative cities the Texas Co. for 1919-1945 shows t while average retail prices have clined 43%, the practical effect has en a decline of only 20%, because of te taxes

	Retail Price	Tax	Total
19	 25.41¢	.06¢	25.47¢
25	 20.09¢	2.11¢	22.20¢
30	 16.16¢	3.79e	19.95€
35	 13.55¢	5.29e*	18.84¢
40	 12.75e	5.66e*	18.41¢
45	 14.48¢	6.02¢*	20.50¢

Includes federal tax.

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For Other Uses-What irks these obtors most is that highway user tax enues (including motor vehicle regrations, and other income, as well as taxes) which were originally levied finance highway construction, mainnance, and policing are now frequently garded as a legitimate and relatively inless way of raising money for other te expenditures.

The dissenters contend that at least part of the current crop of state gas tax increases could be avoided if highway revenues were reserved for highways. (As a matter of fact, the U.S. Public Roads Administration is empowered to withhold up to one-third of a state's allotment if its diversion is too great, but this power has been seldom invoked.) · Some Progress-On this score, at least, gas tax opponents could claim some progress in 1945: Pennsylvania and Kentucky passed constitutional amendments prohibiting diversion of highway

funds, bringing the number of states with such laws up to 18.

Amendments are in process of adop-tion in Indiana and Tennessee; also in Texas, subject to that state's requirement that one-fourth of all excise taxes be allotted to the school fund. Resolutions calling for the adoption of antidiversion amendments are pending in Rhode Island, Massachusetts, Mississippi, New York, and New Jersey, but the sponsors are not too optimistic about their passing.

• Roads Cost More-Diversion or no diversion, state highway commissions are likely to need all the money they can lay hands on in view of today's inflated road-building costs-estimated to be 30% to 100% above prewar figures, depending on local conditions.

One example is a project for widening a 3.28-mile stretch of Route 25 in New Jersey to four lanes. Lowest of the



SOUTHERN COMFORT CORPORATION, ST. LOUIS 3, MD.

six estimates submitted was approximately a million dollars a mile-80% above the average 1940 unit prices for paving and 45% above the prewar average on bridge construction.

The bid was rejected, in accordance with the Public Roads Administration's requirement that federal funds may not be used for projects on which bids are more than 50% above 1941 costs. The work will be split into smaller segments to attract more competition among contractors.

More Butadiene

One alcohol-process plant is reopened to make sure that rubber industry gets material needed for tire manufacture.

With imports of natural rubber in 1946 apparently due to fall far short of earlier expectations, Reconstruction Finance Corp.'s Office of Rubber Reserve has ordered production of butadiene from alcohol resumed at the government-owned plant operated by Carbide & Carbon Chemicals Corp. at Institute, W. Va.

• One of Three—The institute unit (designed capacity 80,000 short tons annually) was one of the nation's three alcohol butadiene plants shut down late in 1945 (BW—Dec.8'45,p7) when it appeared that the petroleum butadiene plants could handle demand for that major component of synthetic rubber used in tire manufacture. (Because of the lower feed stock cost, butadiene from petroleum is considerably cheaper than that made from alcohol.)

Reopening of the plant, which will draw on more than 70,000,000 gal. of industrial alcohol held in government stock, was regarded as insurance against any possible shortage of raw material for tire manufacture.

• Toward a Record—Tire production today is rated at better than 60,000,000 units a year and is still increasing. The year's goal is 66,000,000 tires (BW—Jan.12'46,p21). This, combined with other industrial and consumer needs, is expected to push U. S. rubber consumption to a record 900,000 tons in 1946.

Both government and industry experts had figured that we would receive 250,000 to 300,000 long tons of crude from the Far East. Most of them felt it would be closer to 300,000. Because of continued internal strife in rubber-producing areas, some government officials have revised their estimates down to 225,000 tons. Hence the decision to add 80,000 short tons of alcohol butadiene to step up synthetic rubber production from the present level of 550,000 tons annually.

Heroical Order

Medals by the millions for armed forces require tons of material, provide major job for a specialized industry.

A major mass production job of the war, and one that is only now tapering off, was the striking of medals for the armed forces. Output through 1945 totaled more than 14,500,000 "pieces" (trade term for one medal on a ribbon attached to a hanging bar). That is enough for one each for every man and woman in the services. The total jumps to about 28,000,000 if citation stars and oak leaf clusters are added.

This production constituted a gratifying wartime business for about 40 firms scattered through the East and Midwest. Most of them normally make fraternal emblems, sports trophies, costume jewelry, souvenir spoons, and the like

• Exclusively—An exception is Medallic Art Co., New York City, which claims to be the country's only exclusive medalmaking firm. Its typical peacetime output consists of commemorative medals for business houses, and trade and professional association awards. Medallic estimates its production of military medals at about 20% of the Army Quartermaster Corps' total purchases, and this includes most of the finer awards like the Distinguished Service

The firm's prestige goes back more than 40 years, and stems from such dis-

tinctions as having made the dies for the Buffalo nickel and the Lincoln penny, in days before the U. S. Mint adopted the policy of making its own.

• Changed Attitude—Right now some of the wartime medal-makers are glad to be rid of their contracts because the easing of critical materials permits a neturn to civilian products which involve more profit and less red tape.

Early in the war, however, there was a scramble for this business. A painful thorn in the industry's flesh was the Navy's insistence on having most of its medals made by the Philadelphia Mint, under an old ruling which permits such work to be done in "a government arsenal," although it procured some from the Army Quartermaster Corps which were, of course, made by private firms. Later in the war, the demand for medals was suddenly so great that there was business aplenty, and even frantic talk of having automobile factories turn them out.

• At Mint Prices—Actually, the mint's production—487,566 pieces through 1945—was a drop in the bucket compared with QMC purchases. What irked the industry was that the Naw never asked for bids, but merely paid the mint's bills when they came, at rates that were substantially higher than private industry's bids to the Arm on comparable medals. For example, one medal used by all the services was supplied to the QMC for about 756, while the Navy paid the mint about \$2.25.

Biggest single medal production item has been 7,582,000 Good Conduct Medals procured by the Army Quarter master Corps. Smallest was the batch





HEARING EARRING FOR HIDDEN AID

Now the pendants on her ears aren't just for glamor; as a new wrinkle in hearing-aid devices they have a strictly utilitarian function. One of the "Hearings" conceals a tiny crystal receiver which transmits sound through a plastic tube that runs into the canal of the ear. "Hear-rings" are made by Maico Co. Minneapolis; sell for \$37 in sterling—plus \$176 for the hearing-aid unit, which complete with new-type mercury battery, weighs only 7 oz.



Here is an automatic Greer production line - depositing, shaking, cooling, and demolding produces one thousand 10-pound commercial cakes of chocolate an hour. This is an outstanding example of Greer Engineering, in a field in which Greer has gained world-wide distinction, and embodies the basic principles of continuous processing. In the main body of this production line is the famous Greer Multi-Tier Conveyor providing 530 feet of cooling travel in 54 feet of floor space.

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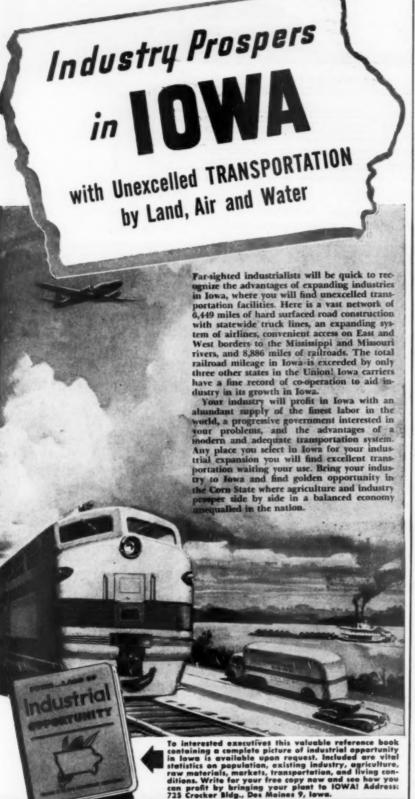
1946

This Greet production line is wholly automatic: the molds are locked in and do not have to be handled in order to release the molded cakes of chocolate. All the operations, from depositing the fresh chocolate to unloading the finished product onto the packing belt, are performed in one continuous process.

Such a Greer unit is easily adaptable to wax, plastics, preserves, cosmetics, or other products that require depositing in molds or jars to be followed by a period of heating or cooling travel. Also, a similar Greer production line is available for manufacturing smaller chocolate bars.

Write today for free Folder W-3 for full details of Greer depositing, molding, and cooling machines.-J. W. GREER COMPANY, 119 Windsor Street, Cambridge 39, Massachusetts.

GREER



IOWA DEVELOPMENT COMMISSION



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TOO MANY CHARACTERS

Accused of overloading (above), Los Angeles moving companies from non on will have to figure out new tactic to get top telephone directory billing. The telephone company has just decreed that names with the fewest A go up, those with the most go down Rationalizing that top listing has some sales value, movers—and other—have been prefixing more and more A's to names with each issue. Pan American has just captured first place with 30, nosing out Argonne which has 25. The new ruling goes interfect with the next issue.

of 275 Congressional Medals of Hompartly because this is the rarest di tinction that Uncle Sam bestows on a military heroes, and partly, no doub because some Congressional Medals let from the first World War were tume over to Medallic Art Co. for replatin and refinishing. Purple Heart medal totaled 2,579,000.

• Materials—No official estimate habeen made of the tonnage used in a this glamorous hardware; an unofficial guess is "at least more than 1,000 tons. For a time the medal-makers had plent of trouble getting materials, prioritie notwithstanding. Medals are usual made of a soft bronze (88% coppe 12% zinc), but when copper was scan manufacturers tried to work with Munt metal—60% copper and 40% zincordinarily used for sheathing. As a conservation measure, the job of restricting Victory medals, left from the fin World War, into Good Conduct medals was assigned Medallic.

Another critical shortage was in fine enamels, which used to be imported from Germany. As a last resort, the colored surface of some Purple Heat was molded of plastic.

was molded of plastic.

• End Is Not Yet-Between wars, the business of making military medals

dead duck. But some second World War contracts remain to be finished. Mrs. Nellie Tayloe Ross, director of the Mint, recently made the most of the Mint's program before a congressional committee on appropriations by pointing out that as of Jan. 1 the Mint had infilled orders for 1,600,000 medals. Medallic Arts Co. reports that its current orders will keep it going at its maximum 10,000-a-day output until next August, and that its unfilled orders for American Defense medals alone total 1,325,000 pieces. Other firms, too, have several months' work on unfilled orders shead of them.

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The only big issue yet to come is about 10,000,000 Victory Medals for the second World War. The design has not been settled yet, but the issue is virully cortain to be approved.

• Lapel Buttons—Still another emblem, not to be confused with military medals but part of what the well-dressed ex-G.I. wears this season, is the lapel discharge button. As of last Dec. 31, the QMC had ordered from private contractors, for all the services, 4,000,000 discharge buttons in plastic (when metal was scarce) and 3,400,000 in brass, and it expects to order an additional 13,625,000 more in brass.

WHO DOES THE REFUNDING?

The U. S. Circuit Court in Kansas City held its knife poised to cut a \$25,-000,000 pie this week but hadn't made up its mind on how the slices were to be served. The pie is the rate refund coming to 54 utilities which buy natural gas from Panhandle Eastern Pipe Line Co. as a result of a rate reduction order entered by the Federal Power Commission in 1942. Panhandle appealed, but lost, and the \$25,000,000 accumulated during litigation.

The size of the slice to each utility has been determined, but the big question is who pays the cost of making the refund. Many distributors point out that refund costs exceed the rebate they are to receive.

FPC, at the court's invitation, recommended appointment of a trustee who would handle, at an estimated expense of \$1,000,000 to Panhandle, relates to the more than 700,000 retail customers of the 54 utilities.

FPC takes the position that Panhandle ought to bear the costs because there wouldn't be any if the case hadn't gone to court. Panhandle agrees that it should bear the expense of refunds to its utility customers, but sees no reason why it should be stuck with the cost of refunds to local consumers unless they can be paid out of the \$25,000,000.

A trustee dealing direct with local consumers, with expenses borne by Panhandle, would bypass the Central States Electric Co. decision of last spring,



A correctly engineered shipping box combines maximum protection with maximum economy . . . eliminates the need for over-packing. H & D shipping box engineering . . . that certain skill that comes from the H & D Package Laboratory, makes sure that your merchandise will arrive safely, and ready for quick selling . . . no matter how far it travels or how rough the journey. See for yourself how H & D packaging experts can help you plan engineered boxes which assure you safer shipping, increased customer good will, extra sales for your merchandise. Write for our booklet, "How to SHIP In Corrugated Boxes." The Hinde & Dauch Paper Company, Executive Offices, 4602 Decatur St., Sandusky, Ohio.



FACTORIES IN: Baltimere • Boston • Buffalo • Chicago • Cleveland • Detroit • Gloucester, N. J.
Hoboken • Kansos City • Lenoir, N. C. • Montreal • Richmond • St. Louis • Sandusky, Ohio • Toronto



Remember the days, not too long ago, when the machining of Stainless Steel was generally regarded as a "headache"?

Today it's really no trick at all to get the results you want when you machine Stainless bar stock. And best of all, you can do it economically... just as was done on these oil burner nozzles. Uniform machining, reduced rejects and longer tool life were plus features the fabricator got by using Carpenter Free-Machining Stainless.

On fully automatic set-ups you can now get your jobs done better, and at less cost. Make full use of Carpenter's experience in solving Stainless fabricating problems. We've done a lot of work with Stainless. It's our baby. Ever since the days when the first Free-Machining Stainless bars were invented in Carpenter's laboratory, we have been working closely with Stainless users. Put our experience to work on your problems.

THE CARPENTER STEEL COMPANY, Reading, Pa.



when the court held that a distributar company receiving a reduction in a wholesale costs was not required to pathe saving on to its retail custome. A trustee dealing directly with retain customers would not leave the chose with distributors.

AUTO SHOW CANCELED

Any likelihood that a National Automobile Show would be held in No York this fall has been dissipated by the relinquishing of space at Grand Cental Palace by the Automobile Manufacturers Assn. No show has been held since 1940, when the war began to whittle car output.

The A.M.A. said that uncertainted in the programs of the car and trust manufacturers made it difficult to plas for any representative showing of non models this fall. Some auto companions officials believed, however, that the industry might sponsor a showing in Detroit if the outlook has been clarified

by that time.

Influential persons in the automobia industry have long favored holding the annual show in Detroit, the acknowledged motor capital, and construction of a suitable building for a permanent site. Others, however, regard the greate publicity value of a New York show a being more than sufficient to offset the convenience and other advantages of a Detroit exposition.

The suggestion has been made that a 1946 automobile showing could be staged on an aircraft carrier moored of Detroit, utilizing one of the converted Great Lakes sidewheelers on which the Navy built a flat top to train fliers during the stage of the converted of the converted Great Lakes sidewheelers on which the Navy built a flat top to train fliers during the converted of the

ing the war.

"BIG SIX" INDICTED

The six largest American ball bearing companies and three individuals were indicted by a federal grand jury at Cleveland this week, charged with conspiring to fix prices on ball bearings.

Firms named as defendants in this latest of the government's Sherman antitrust act cases were General Motors, Detroit; SKF Industries, Inc., Philadelphia; Marlin-Rockwell Corp., Jamestown, N. Y.; Fafnir Bearing Co., New Britain, Conn.; Federal Bearing Co. Poughkeepsie, N. Y.; and Norman-Hoffman Bearing Corp., Stamford, Conn.

Individuals indicted were Fred G. Hughes, Bristol (Conn.) general manager of the New Departure Division of General Motors; Charles F. Stanley, New Britain (Conn.) vice-president and sales manager of the Fafnir Bearing Co.; and Howard Johnson, Jamestown (N. Y.) sales manager of the Marlin-Rockwell Corp.

The indictment charges that representatives of the corporate defendants

distributation in the Yale Club and Biltmore Hotel New York City, and in hotels and rivate residences in Chicago, New British, and other places, for the purpose discussing and agreeing upon prices the chosen of the Coneral Torm C. Clark deserged to the chosen of the c

Attorney General Tom C. Clark deared that the companies indicted, nown as the "Big Six," produce 95% of all ball bearings manufactured in the United States, their total annual sales olume being approximately \$200,000,

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CANAL PROJECT CHARTED

The Army Engineers office has recommended a \$27,000,000 program to deepen, widen, and straighten the 19-mile canal between Chesapeake Bay and the Delaware River, thus facilitating Philadelphia-Baltimore vessel movements.

The present canal, built by hand abor between 1824 and 1829, was purchased by the federal government in 1919 for \$2,500,000. Elimination of the old locks turned the canal into a sealevel waterway, and during the late war it proved especially valuable as a cut-off enabling coastal ships to avoid sub-

marine lanes.

Until recent years, the canal was spanned only by vertical lift bridges, but two of these were knocked down by vessels during treacherous currents. Army Engineers have already replaced one with a new high-level highway bridge at St. George's, Del., and are now replacing another at Chesapeake City. The new program calls for a modern Pennsylvania Railroad bridge and two high-level highway spans at Reedy Point and Summit, Del.

Proposed plans call for deepening the waterway from 27 to 32 ft., widening it at the bottom to 350 ft., and constructing a cutoff channel that will straighten

the path ships travel.

The recommendation now goes to the Senate for incorporation in a rivers and harbors appropriation measure.

ANNUITY TAX BARRED

Heavy state taxes on income from insurance and other retirement pensions were outlawed last week by the Kentucky General Assembly. The Senate adopted, 23 to 0, a bill the House previously had passed, 93 to 0, undoing the effect of a 4-to-3 Court of Appeals ruling of last June (BW-Jun.30'45,p72) which held that the face value of an insurance policy left with the company to draw interest, or under an annuity arrangement, was subject to the state advalorem tax of one-half of 1% just the same as income-producing stocks and bonds.

The bill just passed would limit any



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NEEDS NO PRIMER ... 2 COATS AMPLE

LEAVES NO "SKIN"

GALLON COVERS UP TO 450 SQ. FT. When amazing NEOLAC dries, it leaves a tough, flexible, protective film of pure plastic . . . a liquid armor coating against corrosion, rust and age. NEOLAC is non-oxidizing, resists chipping and cracking, won't flake off. That's why NEOLAC gives better protection years longer . . . costs less in the long run. Black • Gray • Green • Clear • Ready-Mixed Aluminum.

SPECIAL Introductory Offer for Comparative Test Purposes

One quart of either Neolac Black, Gray, Green, Clear or Aluminum, plus one pint of Neolac Thinner, \$2.80, prepaid anywhere in U. S. A. CHAMBERLAIN ENGINEERING CORPORATION 5000 BRIMFIELD RD., AKRON 9, 0.

BUSINESS WEEK . Mar. 16, 1946



Worried about what's in your crystal ball?

You don't need a modern Nostradamus or a Cassandra to tell you that accidents like those depicted above are occurring every minute of the day, and are likely to increase when post-war motor car production puts millions of additional cars on the highways.

We suggest that the present is a good time to arrange for protection against mounting loss-potentials.

Ask our agent or your broker about our "6-in-1" Automobile Policy* today and quit worrying about what may happen tomorrow!

*Includes automobile fire, theft, collision, bodily injury, property damage, and medical payments.

AMERICAN SURETY COMPANY NEW YORK CASUALTY COMPANY SURETY FIRE INSURANCE COMPANY

100 BROADWAY, NEW YORK S, N. Y.

levies on policies to 5¢ per \$100 "tar cash value." The measure would apply to the future, it was explained by attorneys, and the Court of Appeals still has to decide whether the taxes it approved last June can be collected for past years.

CONTRACT'S A CONTRACT

As far as the state of Kansas is concerned, a contract is a contract even though fulfillment has been delayed by four years of war and government controls. The state supreme court has just decided that a group of 13 contractors will have to complete work for the state highway commission that was interrupted by the federal government's wartime ban on such construction—and at the original contract price.

The highway builders had attempted to get 27 old contracts involving about \$1,657,000 set aside on ground that costs had risen so much that they no longer could do the work at the old

price.

The Kansas decision might have jolted the industry a couple of years ago, but most construction men refuse to get excited about it now. The great majority of the financial problems among out of the government stop-order already have been settled by negotiation. The Kansas case is considered an isolated exception to this general trend. The only other cases, construction men think, are likely to be ones involving contracts with state agencies that are lacking in the legal authority to release a contractor who finds it impossible to go through with his end of the bargain.

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TO SHARE PHONE PATENT

Apparently theorizing that it can realize a greater return through expanded telephone service than through sale of phone equipment for a severely limited group of users, American Telephone & Telegraph Co. has offered royalty-free licenses for making the equipment that is needed for sending telephone conversations over rural electric power lines.

Developed by Bell Telephone Laboratories, the new system permits transmission of both phone conversations and electric power over the same line at the same time. It is intended for use in rural areas where there may be power lines but where there are no telephone

wires available.

Patent reciprocity in the field is the only limitation imposed by A.T.&T. in its offer. The telephone circuit now is being tested over rural power lines near Jonesboro, Ala. (BW-Dec.22'45,p52) and near Selma, Ala. (BW-Jan.26'46, p39).

Another development in this field

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THROUGH A BARRIER

On the western slope of the Rockies

there's water; the eastern slope is

comparatively dry. Remedy is the 13.1-

mile Adams tunnel begun in Colo-

rado before the war (BW-Jun.21'41,

p20) by the Bureau of Reclamation,

and just completed with the piping in

(above) of the last batch of concrete.

There'll be no time lost putting it to

work; its job of changing the ancient

flow of waters will undoubtedly start

this year when it begins draining wa-

ter from Grand Lake into the Big

came to light this week when Electronic

Sound Engineering Co., Chicago, an-

nounced it had licensed Automatic Elec-

tric Co., Chicago, to use its patent cov-

ering use of power lines for rural phone

Boeing Aircraft Co. this week received

its first order for the commercial plane

developed from its B-29 Superfortress

when Northwest Airlines signed a \$15,-

000,000 contract for ten of the large

Delivery of the 75-passenger, double-

deck Stratocruisers is scheduled to start

early in 1947. Northwest will use them

on seven-hour, nonstop transcontinental

runs and on limited stop flights 90 min-

utes slower. If the airline is certified by

the Civil Aeronautics Board for the

United States-Alaska-Far East route (BW-Sep.8'45,p22), the big ships will be used there also. Northwest also has

on order 15 four-engine Douglas planes

STRATOCRUISER ORDER

Thompson River area.

olving it are

circuits.



to cost \$7,000,000.



PRODUCTION

Light Diesel Passes Sky Test

Fred Thaheld's smudgeless engine, using a specially refined fuel, powers a Stinson in tests that evoke enthusiasm of plane operators who are seeking emancipation from high gasoline bills.

Pilots at Long Beach (Calif.) municipal airport marveled at seeing the small yellow Stinson, powered with a new lightweight diesel engine, fly overhead without leaving upon the blue sky the slightest trace of a "crayon mark." The ribbon of smudge had been the telltale signature of the few diesel-powered planes flown previously.

When the plane landed, an immaculate, small man stepped out, raised the Stinson's engine hood, and invited the world to take a good look at the Tha-held (BW-Oct.20'45,p28).

o Hands Unsoiled-Fred Thaheld, the inventor, obligingly poked about and pointed at things for photographers, withdrew hands unsoiled by grease or soot, and explained what it was all about:

The engine weighed 235 lb., and was built to equal the weight of a conventional gasoline engine matching its 130 hp. (at 2,600 r.p.m.). Its four cylinders were without spark plugs or hot-spot heating elements-the engine's 16-to-1 compression ratio started combustion the instant the powerplant was kicked over by the contralto "shoosh" of a shotgun cartridge starter, loaded and fired in the cabin.

A plunger type fuel injection pump fed the engine scanty but steady sips of highly refined diesel fuel made by Barton-Grimsley Corp. of Los Angeles and marketed by B. F. Goodrich Rubber Co. service stations under the trade name "Dezol" at 8¢ a gal. The engine's sipping amounted to 3 gal. an hour at top speed, 2 gal. an hour at a cruising speed of 90 m.p.h.

· Who Will Build It?-This was one of the two engines Thaheld built in the machine shop of Shaffer tool works at Brea, Calif., last fall, the test-stand operation of which started a trek of potential engine builders to the Shaffer

So far no contracts have been signed, and the Shaffers, father and son, have an idea that they would like to try producing the engine, although Thaheld professes an interest in seeing his masterpiece-the culmination of more than 20 years of diesel inventing-taken over by a manufacturer big enough to crack the light plane engine field wide open.

• Eager Onlookers—War pilots who have bought war-surplus BT-13 trainers with 400 hp. eating up 30 gal. of 25¢

aviation gasoline every hour fairly drool at the portent of Thaheld's little diesel. And so do light plane pilots whose 125-130-hp. gasoline engines drink up

7 gal. an hour. To their demands Thaheld shrugs and smiles. He doesn't know how soon. He thinks, though, that he has reached the paved part of a rugged road of pioneering, which began back in the twenties when Los Angeles buildings for blocks around echoed to the clatter

of a big radial, very smoky, diesel mounted on a crude test stand

• Guiberson's Engineer-Thaheld soon was working for Guiberson Engine Co. of Dallas, Tex., designing the radial engines which for a time seemed to indicate that the Guiberson diesel was the answer to aircraft power problems. Thaheld for a time was chief engineer at Guiberson, then consulting engineer. Finally he left, ultimately to reappear with his present engine.

It is certain that when and if the Thaheld diesel goes on sale, there will be few shouts of joy from either gaso-line salesmen or airpark operators, who depend upon gasoline net profits of up to 10¢ a gal. to help meet operating costs and the monthly mortgage pay-

Miniature Sun

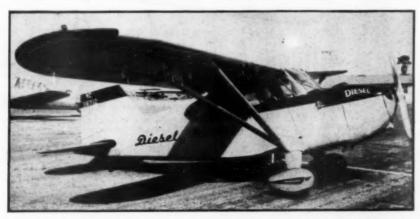
A new lamp using a tiny spot of molten zirconium oxide produces a concentrated light of extreme brilliancy.

Higher standards of performance are predicted for light-projecting optical lenses as a result of a "point" light source developed by Western Union Telegraph Co., New York, and revealed last week at the Cleveland meeting of the Optical Society of America. In the new device light ten times as brilliant as that from an incandescent lamp. and only a little less bright than that of the hottest carbon arc, is emitted from a spot of molten zirconium oxide only 3/1,000 in. in diameter.

The tiny quantity of oxide is held on one of two metal electrodes inside a glass bulb that has been filled with an inert gas such as argon, and bombardment with ions raises the oxide to the melting temperature. Constantly renewing itself during operation, the glowing electrode lasts for hundreds of hours, operates quietly, burns in any position, and makes possible a rugged lamp requiring no attention or adjust-

• Photographic Aid-Since all of the lamp's rays emerge from what is practically one point, it is a means for attaining high definition and clarity in projecting motion pictures and in making photographic enlargements up to 20 times the size of the original film. The brilliant white light's high photographic activity reduces exposure time and is well adapted to color film processes. It should also extend the usefulness of the optical microscope, for the concentrated beam will permit higher orders of magnification and open the way to new fields of research.

The lamp may be used as a lensless



The Thaheld diesel engine demonstrates utility in aircraft applications by powering a small Stinson monoplane (above) at Long Beach, Calif. Some enthusiasts see an answer to pilots' prayers for cheaper flying in the 235-lb. engine.

SEATTLE SPOKANE TACOMA BUTTE MINNEAPOLIS ST. PAUL OGDEN X CHICAGO CHEYENNE **OMAHA** SALT LAKE JOSEPH SAN FRANCISCO TOPEKA DENVER LAS VEGAS ST. LOUIS rendable LOS ANGELES EIGHT SERVICE

FOR ALL SHIPPERS—the Union Pacific Railroad provides . . .

A Strategic Middle Route that unites the East with the Mid-West, Intermountain and all Pacific Coast states.

Modern operating facilities, equipment and motive power include the famous "Big Boys," super-powered locomotives designed to meet industry's heaviest demands.

Union Pacific also has long been renowned for its well-ballasted steel highway, specially constructed for smooth, safe operation of freight traffic at high speed.

General agency offices are located in metropolitan cities, coast to coast, with a staff of experienced traffic men trained to assist you and other shippers in effectively meeting your transportation problems.

For dependable, on-the-job freight service—

Be Specific Addition Pacific will, upon request, furnish information about available industrial and mercantile sites in the territory it serves. Address Union Pacific Railroad, Omaba, Nebraska.

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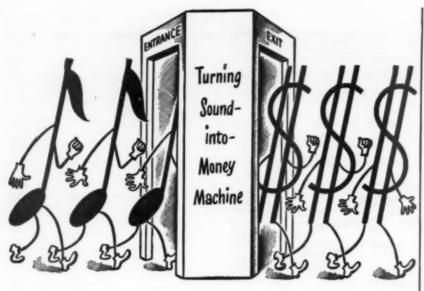
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1946

UNION PACIFIC RAILROAD

The Strategic Middle Poute



Turning SOUND into MONEY

HAT'S exactly what one of these modern, all-purpose, self-contained, Stromberg-Carlson Sound Systems will do for your business. They are the new kind of sound systems-the kind that is installed simply, quickly, and at such a substantial cash saving over the old, individually designed type.

You are familiar, of course, with all the time, effort, and money a Stromberg-Carlson Sound System can save you in paging and in other types of intra-plant communications. But have you heard of some of the very remarkable increases in plant morale and worker efficiency that have followed the proper use of 'work music' played over the plant's sound system? One large concern is reported to estimate that for every dollar invested in work music, \$84 have been saved. Controlled tests showed 8,494 man-days saved in 7 months!

Your local Stromberg-Carlson Sound Equipment distributor is at

your service to solve your sound problems. He is listed in the classified section of the telephone directory. Or write Sound Equipment Division, Stromberg-Carlson Company, Dept. B3, 320 N. Goodman Street, Rochester 7, New York.



New Stromberg-Carlson Sound System control new stromberg-Carison sound system control
and amplifier sections in cabinet of glacier gray
heavy gauge steel. (Left) Model 775 Cabinet
Assembly with radio receiver, phonograph record
player and controls. (Right) Model 777 Power
Amplifier Cabinet Assembly.

projector. When it is employed in one cal devices, however, the lenses produc exceptionally sharp images having ex treme depth of focus, such as is of tained with a very small aperture but without the corresponding loss of light • High Efficiency-Because 50% of the light from the zirconium point are will be effective in a motion picture pro jector, Western Union engineers sa that the lamp will produce from five to ten times as much brilliancy on the screen, and last 100 times as long, as a tungsten projection lamp of similar

Another asset attributed to the lamp, which was developed under a grant of the National Defense Research Committee, is high conversion of electrical energy into light, with the generation of less heat. And variations in voltage fed to the lamp produce equal vanations in light, a quality desired for accurate reproduction of photos trans-

mitted by wire or radio.

EYES IN THE NIGHT

Man-made eyes that see in the night were revealed last week to have been developed in different forms by German and American scientists. An infra-red searchlight which the Germans employed to seek out Allied troops and tanks and to train guns on them in utter darkness was reported by Edwin Y. Webb, Jr., chief of the Technical Industrial Intelligence Board of the Dept. of Commerce.

Mounted on an infantryman's rifle, the infra-red flashlight threw a beam of invisible rays upon objects as much as 200 yd. away. On tanks, the beam was bigger and penetrated two miles of blackest night. Reflected from an Allied soldier or tank, the rays were picked up by a simple little telescope-like instrument attached to the sights of the German's gun and weighing only about 3

Vastly cheaper than radar, the German Bildwandergeraet (picture transformer) may be useful as a mechanical watchman, but no American optical company has yet investigated its many

peacetime possibilities.

The American device is a super-conducting bolometer (an instrument for measuring radiant heat) invented by a group of Johns Hopkins University scientists headed by Dr. Donald H. Andrews. Instead of receiving projected and reflected infra-red rays as does the German device, the American eye sees an object by its heat rays, a man showing up in outline form. It is effective at 10 to 15 miles.

The eye was not developed in time for war use, but it is expected to be applied in industry, navigation, astronomy, and medical research-notably in the study of cancerous growths.



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, 1946

Fewer joints and connections—to reduce leakage, even under high pressure vibration, shock, fluid hammer, surge or accidental abuse.

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installation, especially in tight places—yet all parts are accessible for quick, easy installation and service.

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Offers display without exposure inspection without handling protection in use



Here is a hypodermic needle package. that protects its contents while it displays them, and at the same time demonstrates the practical advantages of protection and visibility in service.

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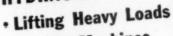


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Versatile Metal

Once regarded as a curiosity, lithium, lightest of solid elements, is now used in many industrial processes.

Metallurgists might call lithium, light. est of all solid elements, the Cinderella metal, in view of applications revealed for the first time at the recent meeting of the American Institute of the City of New York and the American Society of Mechanical Engineers

Lithium remained, for the most part, a curiosity for a century after its discovery in 1817 by the Swedish scientist August Arfvedson, although some of its salts were used in medicines about 1887. Germany put the metal to practical use in the first World War in the aluminum alloy scleron and in "B" metal, a lead bearing alloy. German patents and processes were purchased subsequently by an American group. A lithium industry began to develop in this country, and a metal plant was erected in 1928 by Maywood Chemical Works. • War Importance-But it took the second World War to bring lithium to its present position as an important element in chemistry and a useful industrial tool. The advances made have led to applications in the aircraft, chemical, electrical, air-conditioning, glass, ceramics, optical, and metallurgical industries.

Lithium is called a super-refining agent in metallurgy and is a constituent of low-melting alloys. Its compounds are employed in welding aluminum. casting magnesium, and purifying air. Lithium hydride had an important part in air-sea rescue work during the war; a few grains mixed with water released enough hydrogen to fill the rubber balloon that lifted the aerial of a life-raft

radio into the air.

• Characteristics—But perhaps its most interesting role is yet to be played—in the field of nuclear physics. According to Dr. Hans Osborg, vice-president and general manager of Lithaloys Corp., bombardment of lithium by protons theoretically would release on the order of 500,000 kwh. of energy from 8 gr., a piece about the size of a sugar cube. This is equivalent to about 39 trillion B.t.u., enough to heat water for a bath for every person on the globe. This does not mean, however, that lithium is a substitute for uranium, for it is a synthesizing agent rather than a disintegrator.

the

Yet

The commercial importance of lithium is based upon its atomic structure, its position in the periodic table, and its diversity and reactivity. It has many characteristics of the alkali family, but performs more functions than the other



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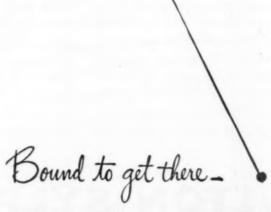
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ATLANTA

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LOS ANGELES 11,

ACME STEEL COMPANY





One war use for lithium hydride—18 leasing hydrogen for balloons which lifted life-raft radio aerials—is demonstrated by Dr. Hans Osborg (left, Lithaloy Corp.'s general manager.

elements in those groups. Lithium about half as heavy as water, melts at 367 F, boils at 2450 F, follows hydrogen and helium in the light end of the periodic table, and has an atomic weight of 6.940.

• Lithium Products—Three lithium products new to industry were described by Dr. Osborg: (1) lithium peroxide a highly stable, pure solid whose available oxygen is 34.9% by weight, higher than that of any simple peroxide other than hydrogen peroxide, a relatively unstable liquid. (2) Lithium borohydride, a solid, stable in dry air, 1 lb. of which in water generates 66 cu. ft. of hydrogen Dr. Osborg sees important commercia possibilities for it because of its chemical structure and reactivity. (3) Diborane, a gas at room temperature; 1 lb. in water will generate 78 cu. ft. of hydrogen.

Prior to the war, the production of lithium chloride, or its equivalent amounted to less than a million pound a year, and the output of the metal war elatively insignificant. But chloride production has increased three or fourfold since then, and the output of the metal is about 20 times as great.

Lithaloys Corp. is a principal producer of the metal, while lithium compounds are made by Maywood Chemical Works, Metalloy Corp., Foote Mineral Co., and several other firms.

HOTBOX ALARM

Comes now a simple solution to a simple trouble that has cost the rail-roads no end of delays and undoubtedly

the a few passenger lives. It is a hotreal arm developed by the New York entral System which gives a dual note and odor signal when an axle

The alarm consists of two cylinders serted into cavities drilled into the urnal. One cylinder is filled with unid ethyl mercapatan to generate toke. The other contains a liquid mbination of titanium tetrachloride d carbon tetrachloride to give off a metrating odor.

Each cylinder has a small orifice aled with a metal which melts at 220. Then the released liquids are vapored into smoke and an odorous gas high pour out for about 10 minutes. The alarms will be installed on the 20 new passenger cars recently ordered the New York Central. And the 5,000 bearings in the railroad's high-red, main-line passenger trains will equipped.

New Jet Design

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Engine, similar in design buzz bomb motor, dispenses with rotating parts. Tests by airraft engine firm planned.

Out of a college thesis written in 933 has developed an experimental jet ngine which dispenses with rotating arts and which holds enough promise of a refined version to be built and ested by a leading aircraft engine nanufacturer. Its principle is somewhat similar to that of the jet motor hich powered the notorious V-1 buzz omb, though its conception antedates hat development.

Alternate Firing—Similarity lies in the let that an air-fuel charge is introduced to a chamber and exploded interuitently to produce a pulsating jet of he gases of combustion. But this enne has two chambers so designed that he delivery of hot gases from one causes fuel-air charge to be sucked into the ther, the two firing alternately to give to 90 power pulses a second. Unke the V-1 jet, it does not depend non forward velocity to force air into he explosion chamber. This means at a buzz bomb powered with it could alunched under its own power.

Invented by Robert Kafka, the engine is been developed since 1943 under the sponsorship of Carney Associates, td., New York, headed by the 26-tar-old Henry C. Carney who built is a large engineering firm to handle inportant war work.

Simple in Design—Like the V-1 jet, he big advantage of this engine is extreme simplicity and low manufacturing cost. But also like its Ger-



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BW-0-1



DALLAS, TEXAS



UNION FOR STRENGTH

With fire pots and concrete weights, Czechoslovakian-born Dr. Alois Cibulka demonstrates that his metalencased wood will neither burn nor buckle under flame and strain. President of RST Engineering Co. of America, Highlands, Tex., Dr. Cibulka reports that his patented process embraces: (1) wood beams encased in steel or aluminum, (2) building panels of quarter-in. wood sheets covered with steel sheets with chemically treated cotton between integrated studding for insulation. Welded seams keep out air and moisture.

man cousin, it makes considerable noise.

The sponsors say that it is not limited to use as a jet engine but could be used in a circular series to drive a reaction wheel in a simplified type of gas turbine suitable as a locomotive power

unit.

Fueled by gasoline, kerosene, or light fuel oil, the engine's efficiency is rated by its backers as approaching that of the internal combustion engine.

MORE REPORTS ON DDT

DDT pros and cons keep cropping up as additional studies of specific applications are completed.

W. A. McFarland, chemical research engineer of the American Lumber & Treating Co., Chicago, concludes that DDT is considerably less toxic to wood-destroying fungi than the products that are now being employed in the preservation of wood.

And while it provides a measure of protection against termite damage to



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how do <u>YOU</u>
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Best way to keep out of an argument is to keep it from starting! And that's exactly what you can do, as far as your product's guarantee is concerned. You can prove it in the process, by a running record of every turn, piece, stroke or other unit completed by your product during its guarantee-period. Then you and your customers can plainly see the facts . . . the facts-in-figures that leave no room for doubt or disagreement.

And how to do this? Simply design into your product, as an integral part, a Veeder-Root Counting Device electrically or manually operated, according to your needs. It's easy and inexpensive to do. It adds a new merchandising feature to your product. It keeps gripers and chiselers under strict and honest Countrol. And it helps to prevent loss of tempers, customers, and lawsuits. Chances are excellent that you can profit by built-in Countrol, like the maker of X-ray tubes mentioned below. Write. Veeder-Root Inc. Hartford 2, Conn.

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The Family-Owned Corporation

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For the family-owned or closely-held corporation, inheritance, gift and similar taxes can best be provided for through the sale of a portion of the outstanding securities and the establishment of a public market.

The effect is three-fold:

- 1. The money thus received can be placed in a diversified list of securities against the time of need.
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- 3. The valuation of estates for tax purposes is facilitated.

As underwriters and distributors of sound corporate securities and as one of the largest trading organizations in the United States with a continuing interest in the securities underwritten, The First Boston Corporation offers unique facilities for introducing a corporate name to the investing public.

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wood, its relative short-term effectiveness indicates that this asset is far outweighed by its low toxicity to fungus organisms.

That it is not safe to spray pustures or woodlands with DDT if cattle graze there is reported by Drs. Horace S. Telford and James E. Guthrie of Hess & Clark, Inc., Ashland, Ohio. When DDT was given to milch goats in heavy doses and their milk fed to adult rati, there was a high mortality among the rodents, although the poisoned milk apparently had no ill effect on nursing kids.

A boost for DDT comes from Dt. W. H. Tisdale, director of the du Pont Pest Control Research Laboratory Wilmington, Del., who reveals that it cannot be replaced by the new English insecticide, hexa-chloro-cyclohexane While the latter is more toxic to flies cockroaches, aphids, grasshoppers, wire worms, boll weevils, and some other insects, it is not effective for more than two to four days and it has a most disagreeable, pungent odor. Early reports show, too, that it is more likely to damage foliage than DDT, especially tender truck crops. Research on the insecticide will continue, however. In food factories, the application of DDT is impeded until health authorities establish safety regulations under which it may be used.

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NEW-TYPE CONDENSER

The Dept. of Commerce is not given to superlatives in supplying information to business and industry. Last week however, it went overboard in describing an ingenious German machine which it declared may "revolutionize" the manufacture of condensers for radio, radar, and other electric and electronic equipment.

Developed by the Robert Bosch Co., Stuttgart, the machine produces fixed paper condensers in which the usual metal foil is replaced by a very thin, vaporized zinc coating, applied directly to the paper dielectric. The metallized paper capacitor may be operated at 20% to 50% higher voltages than a paper and foil unit, is 40% smaller, and heals automatically after an electrical breakdown. Numerous breakdowns may occur before its effectiveness is impaired.

The department estimates production costs may be 20% under those for the paper and foil type. Industry technicians were inclined to discount the importance of the development, saying that it may have been only a wartime substitute.

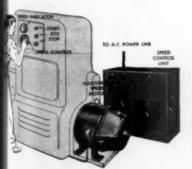
One of the machines now is en route to the United States for inspection by interested manufacturers. Patents are in the hands of the Alien Property Custodian. Adjustable-speeds from A-c. Circuits

for Hawaiian Pineapple Conveyors

Is there a money-saving idea for your plant here?

The installation of Reliance V*S Drives for the conveying system of their cannery not only brought enthusiastic satisfaction at the Maui Pineapple Company of Hawaii—as it has in thousands of other plants—but it has made possible savings far beyond expectations.

V*S—the All-Electric, Adjustable-speed Drive operting from A-c. Circuits—can solve a lot of manuacturing and processing problems besides those of materials moving. It provides an unlimited range of speed changes, manually or automatically controlled, from nearby or remote stations. Starting, stopping and reversing can be instantaneous, or gradual and unbelievably smooth. Maximum afety is assured. And V*S Drive is a wonderworker for increasing production and cutting costs.



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Truck drivers set individual conveyor speeds through V*5 control veyor speeds innovan vas control (interlocked with main control in plant) to move conveyors enough to accommodate pineapple loads. verious feeder-conveyors independ various reeder-conveyors independently and runs them at desired speeds. only and runs mem all dashed speaces.
Note two of 14 Reliance motors, which conveyors to main which takes them to processing machines. Note six of system's machines. Ivole six of systems.

14 Reliance V*5 Drive units in

RELIANCE DC MOTORS

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6, 1946



Vari-Typer*saves money...this free folder tells how

The Vari-Typer Composing Machine is undoubtedly one of the most important tools for American business developed within recent years. It earns this distinction by contributing a faster, more economical way to handle printing and duplicating composition. Because of Vari-Typer's remarkable record for savings, thousands of business organizations have accepted Vari-Typer as the only way to produce certain kinds of paper work, the best way to produce many others.

This folder explains how Vari-Typer accomplishes its amazing economies in printing and duplicating.

To appreciate Vari-Typer's possibilities for you, consider its changeable types. More than 600 different styles and sizes of types all work in one machine. Think for one minute that Vari-Typer composes a BOLD FACE TYPE LIKE THIS, and with a twist of the wrist, it composes THIS, OR THIS, OR THIS, OR THIS, OR THIS, OR THIS, OR THIS AND AND THIS AND THIS

It is this wide variety of types which enables Vari-Typer to produce printed effects. As any competent typist can operate Vari-Typer in your own office, she can produce all kinds of paper work for various departments, quickly, efficiently at very low cost.

TEXT TYPE SET ON VARI-TYPER



NEW PRODUCTS

Triangular Desk

Introduced on the West Coast and slated for national distribution soon, the new three-sided desk created for executives by Fletcher Aircraft Corp., Pasadena, Calif., is made by aircraft wood-fabrication techniques. While the



desk has a working edge of 72 in., it is designed to take no more floor space than the conventional 54-in. desk and to weigh one-third less. A concave cut-out permits the executive to sit close with comfort.

The desk can be made in a variety of unusual woods, such as Prima Vera, Bubinga (African rose wood), Honduras and African mahogany, and American and Claro walnut. Secretarial desks, book cases, phone stands, and other office furniture will be built in a conforming style.

Air-Compressor Tractor

To bring both pneumatic and mechanical power to focations relatively inaccessible for construction and maintenance work, Le Roi Co., Milwaukee, has developed the new Tractair. Consisting of a 35-hp. wheel tractor with an integrally built 105-c.f.m. compressor, the dual-purpose machine also can be utilized to operate front- and rearmounted power equipment.

Remote Positioner

The position of a pointer on an indicating instrument can be duplicated at a location remote from the instrument, and a mechanical, electrical, or hydraulic device may be remotely controlled by a position transmitter and receiver developed by Allis-Chalmers Co., Milwaukee.

The transmitter, which is essentially a variable-resistance bridge, is operated manually or automatically, and it controls the relative strength of magnetic fields in the receiver, to which it is connected with four wires. The magnetic fields, in turn, determine the position of a permanent-magnet rotor in the receiver. The transmitter is designed to operate any number of receivers, permitting such uses as governor and generator field control for multiple synchronized diesel-electric drives.

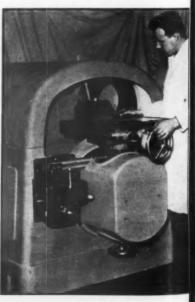
The positioner operates on d.c. current but can take a.c. through a small rectifier. The six sizes range from 5 oz.-in. to 360 lb.-in. approximate pullout torque,

Take-Along Freezer

Traveling motorists and picnicken can keep foods, beverages, and ice cubes at low temperature for extended periods with the new Porta-Freeze combination carrying case and refrigerator, while sportsmen can freeze fish and game to keep it from spoiling. Weighing but 25 lb., the 24x16x15-in. case has an outer shell of water-resistant laminated plastic, separated from the aluminum interior compartment by 2 in. of insulation. A detachable compartment carries 13½ lb. of dry ice. Water ice also may be used in this convenient frost-box developed by Calplasti Corp., 8364 Beverly Blvd. Los Angeles.

New-Purpose Grinder

Called the answer to a need for a metal-removing machine that is between a shaper and a miller in performance, the new Millgrinder was developed to finish flat surfaces to relatively clost tolerances quickly. Introduced by Morroe Tool & Mfg. Co., Monroe, Mich.



BUSINESS WEEK . Mar. 16, 194

It's time to take a new look at the problem of Depreciation

Here are the facts that have a bearing on more jobs, lower costs, higher standards of living . . . they're facts every American should know —

TODAY, almost without exception, every manufacturer in the nation is face to face with a critical "cost of production" problem. It may be traceable to the price of raw material, and other production costs. What many manufacturers fail to realize, however, is that it can also be traced to a critical machine tool "depreciation" condition which exists today within many U. S. plants. Let's take a look at the machine tool picture in a typical manufacturing company:

• Old tools which were patched up and pressed into service for war production are now headed back to the scrap pile because they are obsolescent, inefficient, wasteful of manpower.

• Machine tools purchased between 1930 and 1940 have been rendered obsolete by the increased tempo of wartime machine tool development.

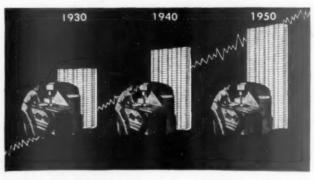
• Machine tools purchased new in 1942 have been driven hard for three years on three shifts at the rate of 24-hours a day. Actually, they are now carrying the burden of nine years normal work and wear. In terms of new development, they are on the edge of obsolescence.

In most companies, the obligations of long-term depreciation often over-rule good judgement when modernization and replacement of machines is the wise course. If you are burdened with obsolete machines and rising production costs, now is the time to close the gap between rated depreciation and actual obsolescence (see right)—and minimize the financial burden of replacement. For a complete discussion of this vital subject, write for Kearney & Trecker's new, free booklet, "Depreciation vs. Obsolescence."

KEARNEY & TRECKER CORPORATION

Milwaukee Machine Tools

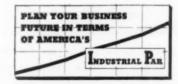
TER PRODUCTS... BETTER EARNINGS SPRING FROM BETTER MACHINE TOOLS



America's Standard of Living has been pushed up — prices have been lowered—jobs have been made because U. S. industrial output of goods per man-hour rises at the rate of 50% every ten years — our national industrial par. New production techniques plus highly developed machine tools have made this possible, have resulted in more jobs, more goods for more people, at lower costs.



If you are an average manufacturer, your machines are being written off at a 5% rate over a 20-year depreciation period. Yet in 7-10 years, your machines may become obsolete because new machines with higher productivity will do more work faster, more efficiently. To hold your place in the market, you must meet the challenge of competition with lower cost of production.



★ Elimination of waste—plus improved production techniques — plus the most modern machine tools are the controlling forces that increase ★ Industrial records prove that output per man-hour increases at the rate of approximately 50% every ten years. This National Industrial Par is the foundation of American industrial leadership and high living standards. output per man-hour and cut production costs,

★ Ability to cut costs — not the cost of the tools themselves—are the deciding factors in determining machine tool needs. At least 10% of the total machine tool investment should be set aside yearly for machine tool replacement to enable your company to cut production costs attain or excel Industrial Par.

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• ACM E ALUMINUM ALLOY CASTINGS



THERE'S nothing better than aluminum for washing machines. Aluminum is light—easy to handle, easy to move, resists corrosion. Aluminum helps give washing machines better operation, longer life, lighter weight.

Then how about your product? Couldn't it, too, make use of these advantages? And, besides, aluminum machines easily—and is readily cast into intricate shapes. Wartime progress has made aluminum alloys even stronger than before.

Why not ask Acme about the advantages of "aluminizing" your product? Acme engineers have spent many years of work and study on aluminum and its alloys. And they are always glad to lend a hand in any problem of design.

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the ruggedly built machine has an adjustable-speed oscillating platform which moves the workpiece back and forth against the flat face of a columbial grinding wheel driven by a 10-hp, motor

The machine is equipped with a 45 gal. coolant tank to provide sufficient cooling capacity for steady runs.

Repeating Flash Bulb

Photographers will not need a cumbersome quantity of the new repeating flash bulb developed by Sylvania Electre Products, Inc., and employed in the Electroflash units of Wabash Photolamp Corp., 335 Carroll St., Brooklyn, N. Y. The lamp is designed to give a 1/5,000-sec. flash, deliver 12,000,000 peak lumens of approximately daylight quality, and operate several thousand times. To generate the illumination, condensers discharge through a xenon gas-filled spiral tube inside a gas envelope shaped like a projection lamp.

A lightweight portable Electroflash has been developed for press use, a small a.c. portable for general work, and a professional model for studio and

multiple-flash service.

THINGS TO COME

Promising progress is being made in the perfection of a laminated plastic whose high resistance to heat and excellent electrical properties may open new opportunities in the electrical insulation field. Constructed of layers of glass cloth bonded together with silicone resin under heat and pressure, the laminate has held up under test temperatures which melt solder and deteriorate other plastics. Although heavy for a plastic, it weighs no more than magnesium.

• Gold dental inlays are destined to fit more snugly, gold jewelry to wear longer, and the work of dentists and jewelers to be somewhat easier when recently discovered properties of germanium are applied commercially. An eutectic gold-germanium alloy is much harder than ordinary gold alloys, melts in a gas flame at the low temperature of 673 F for easy workability, and can be precisely cast without shrinkage because it expands slightly on solidification.

Only about a ton of the rare germanium is produced a year, as a byproduct of cadmium output. One of the current uses is the "whisker" that electrically connects two quartz crystals in a tiny rectifier for radar sets.

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Old "Carpet Shop" Plans Issue

Alexander Smith & Sons' debut in financial circles, marking break with century-old tradition, focuses spotlight on firm whose founder made history in manufacture of floor coverings.

In Yonkers, N. Y., the words "Carpet Shop" mean Alexander Smith & Sons, the nation's largest maker of soft-

surface floor coverings.

Founded in 1845, when a Scotch storekeeper's ambitious son exchanged his savings for a tiny handloom carpet mill, the house of Smith has made much industrial history. The firm's financial history, however, has remained a closed book.

· After a Century-Not until last week did the company deem it advisable to invite the public to hold some of its shares. Departure from a century-old tradition was announced after Alexander Smith & Sons' small group of stockholders voted to increase authorized capital from \$18,000,000 to \$31,000,-000 and to split present common shares at the ratio of 21 for 1.

The company's debut in the new issues market is expected to involve only the sale of some 25% of the new preferred and common shares which it will soon have outstanding. In other words, the transaction will cover just what is required to provide \$8,500,000 needed for a projected program of plant expan-

sion and modernization.

• What Is Contemplated-Only new stock will be involved. No present stockholder, it is said, has any intention of disposing of his interest. And Frederick B. Klein, company president, emphasizes that the financing should not be expected to touch off any changes in management, personnel, or established policies.

The financing will be handled by an investment syndicate headed by two of Wall Street's more sedate underwriters -Morgan, Stanley & Co. and Dominick

& Dominick.

Although the public's first view of the financial affairs of Alexander Smith & Sons must await the appearance of the customary prospectus after release of the forthcoming offering by the Securities & Exchange Commission, historical details abound.

• Reluctant Merchant-Roots of the "Carpet Shop" go back to 1834, when Alexander Smith's father moved his family from New Jersey and started a general store in West Farms, N. Y., a community that later became part of the Bronx. It was there that Alexander acquired a dislike of storekeeping which made him an industrialist.

West Farms, largely settled by Scots, had but one industry in those days, carpet weaving. Narrow-width ingrained carpets were turned out on handlooms in what might be termed family factories. How much Alexander Smith had saved up is not recorded, but it was enough to buy a small building housing a few handlooms, and in 1845-at the age of 26-he became a carpet manufacturer. Daily, with horse and wagon, he took his output to New York City and returned with materials needed for continued production.

· A Machine and a Patent-Such operations, however, failed to satisfy Smith. He knew that most American looms were of antiquated British manufacture, that almost a third of the country carpeting still had to be obtained from England. Deciding to do something about it, he hired young Haleyon Sie ner, and together they tackled the of inventing a steam power loom, fore long they had a machine and

Meanwhile, what had been a one room mill had mushroomed into a plan consisting of a new building hour 150 looms, an engine and boiler hou

and a modern dye house.

• New Model-By 1858, the first cum brous power loom evolved by Smith and Skinner had been followed by a ne model which could be run by one girl Each loom could turn out daily yards of "moquette" carpeting. the predecessor of today's "Axminster."

This triumph was short-lived, for 1858 saw the total destruction of the carpet mill by fire. The new mode loom was destroyed, too, leaving only the earlier design untouched. It was not until 1862, after Skinner had returned from a successful British showing of later model, that the rebuilt plant wa running smoothly again.

Smith and Skinner continued work ing on the machinery, and appli for additional patents covering its us for weaving tufted carpets and tapestr goods. But (this time early in 1862





FOR HARMONIOUS PUBLIC RELATIONS

While a depositor whistles a cheerful accompaniment (left), George Vogo (right), staff organist of Freeport Bank on New York's Long Island rolls out melody to celebrate the return of Euterpe to the halls of finance. In 194 Dr. William Smith was looking for a safe niche for his Hammond orga while he was in the Army. The bank's cashier, W. Sargeant Nixon, set it a in the bank corridor, hired an organist to give daily classical and popular concerts. Then, with return of Dr. Smith imminent, the bank decided to forego the successful concerts-which ran into money anyway. The result: at avalanche of protests. Nixon surrendered, bought the organ to supply a per manent running accompaniment to banking operations.

plant burned to the ground again. Many Fires-This time, howr, the late-model loom survived the It was in a separate shed, and n't have to be designed anew. Smith only the problem of rebuilding his nt. He didn't propose to rebuild it West Farms. While he couldn't we it, he felt sure that both fires had n deliberately set by hand weavers feared the effect of the new steam ms on their livelihood.

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Yonkers was chosen for several rea-The Saw Mill River provided never-failing supply of chemically able water. The Hudson River

red cheap transportation.

oane-Blabon-In recent years, as durthe lifetime of the founder, Alexan-Smith & Sons has concentrated on manufacture of soft-surface floor erings. However, the firm hasn't rlooked other sections of the floor ering trade. For some time it has a controlling stock interest in ne-Blabon Corp., a \$9,000,000 comwhich is a prominent factor in manufacture of linoleum and felte floor coverings.

Sloane-Blabon represents a consolida-i (in 1931) of a number of units the linoleum field, including a former sidiary of New York's W. & J. me, one of the country's leading reers of house furnishings. A close munity of interest is believed to t between W. & J. Sloane and cander Smith & Sons, inspired in no doubt by Sloane's ownership of vable block of Smith's present outding shares.

ho Controls?-No Smiths are now d as officials or directors of the kers enterprise. Who controls the pany is anybody's guess, owing to secrecy that has surrounded its fis-affairs. Wall Street, however, bes that the company is largely coned by the heirs of Alexander Smith man, the last of the Smith descendto be prominently identified with

management.

DCK ASSESSMENT TEST

alifornia courts will decide whether stockholders of the Central-Eureka ing Co. who forfeited their 10,500 es for failure to pay a 10¢-a-share sment (BW-Jan.5'46,p71) may reer the stock.

tr the stock.

It is the stock was traded on the same is the same is the stock was traded on the same is the stock was traded on the same is th y a per siture proceedings to bid in the de-



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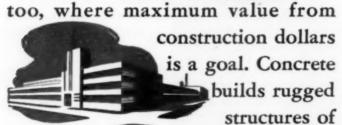
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linquent stock, and all of it reverted the company under the law.

In past delinquencies, the plant contend, only enough of an individual stock was forfeited to meet the age ment on all his holdings.

Central-Eureka, powerless to ree the forfeiture because it would jou dize the equity of shareholders who a the assessment, welcomed the court

A Planned Britain

Labor regime's tightening of controls over all business at finance alarms many Englishmen, attracts attention here.

When a Conservative House of Comons passed the Defense Regulate Bill of 1939, Britons united solidly hind the measure. Many didn't like dictatorship thus created, but the agreed that all powers had to be a centrated in the state to wage suce fully the struggle they saw ahead. Today, with the war over and

Labor Party enjoying overwhelm power, it's a different story. British dustrial, banking, and other busin circles have been much disturbed a recent Labor government meass specifically aimed at perpetuating a time dictatorial powers in peacetime.

• Watching Closely—American in nessmen are eying the changing hish picture with keen interest. Most them remain convinced that Britis "revolution," as forecast earlier (BW Aug. 4'45, pl 18), will not go beyond in dle-of-the-road socialism. Some other however, aren't quite so sure of this they once were.

The first of the Labor government measures designed to give British by the ness very different regulation from the previously had in peacetime was ability extending all the state's war portion of the Bank of England, with implications concerning the future tension of corporate bank credit.

Investment Bill—Another manifer

• Investment Bill—Another manife tion of the Labor trend is the so-cal Investment (Control and Guarants Bill, just enacted. It permanently free rigid wartime controls over new or pany financing and authorizes state control of the peacetime flow a direction of new corporate issues.

Next on the docket is the Excha Bill, designed to carry out committed under the U. S. loan agreement and give the state control, "for the good all," of the foreign exchange game in dealings by private companies.

in dealings by private companies.

Such controls are supplemented a number of other restrictions. A tent weapon, for example, is the current weapon.

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No, we don't sell it; we don't make it, but we do build internal grinding machines that make it. The three connecting rods for home refrigerators, shown above, are typical examples of the type of work that is ground on Bryant Internal Grinders. They are truly jewel-like in their finish, but that is not enough—to be sure, Bryant Grinders produce metal parts that have surfaces finished correctly to millionths of an inch, when desired, but Bryant machines also produce these same parts with holes that are truly round and straight. These are basic elements that Bryant insists upon to assure Bryant users that their parts and products will last for years without mechanical failure.

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BRYANT CHUCKING GRINDER CO.

SPRINGFIELD, VERMONT, U. S. A.

WALL STREET

Why the Sensitivity of Egg Futures?

To many a businessman whose livelihood is directly affected by their price movement, the art of buying and selling wool and egg "futures" on the Exchanges, for the purpose of insurance, is a procedure but little understood. As a consequence the protective feature of "hedging," so essential as a safeguard, is frequently absent.

Even many experienced hedgers and traders are woefully ill-informed or misinformed on the mechanics of "spot" and "futures" sales "in the pit." For these, and for others who would know the fundamentals of informed trading in wool and eggs, the nationwide commodity and security firm of Merrill Lynch, Pierce, Fenner & Beane has prepared comprehensive booklets* on each.



TWO NEW BOOKLETS: one on wool; one on eggs

Delving into a wealth of knowledge gained by long experience in the field, the Merrill Lynch Commodity Department has set forth in each booklet the answers to questions both newcomers and experienced traders frequently ask: how can a woolen mill or bakery use futures to protect against possible price drops? . . . what are deliverable grades? . . . what service does the speculator perform? . . . what causes the extreme sensitivity of egg futures? . . . how are futures bought and sold, and what are the margin requirements and fixed charges? These and many other related queries are clearly answered.

Both the new trader and the veteran can gain much from these booklets, acquiring authentic understanding and a basis for sound dealing in these important markets.

licensing system under which the state decides what can, or cannot, be imported into England.

· Stranglehold-No less vital, in its potentialities, is the stranglehold Britain's Board of Trade now holds over business in another direction under the Extension of the War Powers Act.

For instance, a new business can't be created without a Board of Trade li-cense, and licenses are only issued if the new industry is considered essential to economic welfare. This is likely to prove more important to British business in the near future than the more publicized scheme for nationalizing certain industries (BW-Mar.9'46,p100).

• Other Powers-All unused factory space is controlled by the Board of

Trade and is only allocated with "national good" in mind. Also, the go can become an active partner in m businesses, simply by ordering that he of production be allotted to the em trade, which is board-controlled.

Actually, passage of the Investme Act won't hurt much today. Most R ish companies, like U.S. corporation have all the cash they need to han near-term capital requirements. M power and material shortage are their chief worry, not finances. It's longer-term aspects that are causing o

· Dalton's Version-According to Hu Dalton, the Eton-Cambridge educa Chancellor of Exchequer, the Inte ment Act will "establish and maint

Blue Chips Stage a Victory Celebration

When Wall Street says "blue chip," it refers to a stock-usually an active, well-known issue with wide appeal-which commands an aboveaverage high price, particularly in relation to earning power, and a high

degree of popular esteem.

The old Texas Pacific Land Trust certificates hold the blue-chip price record. They zoomed to \$2,040 each in 1926 before a 100-to-1 splitup and the new "shares" soon reached a price according the old issue a \$4,000 value. Northern Pacific, also, sold at \$1,000 during 1901's "Northern Pacific panic," and Michigan Central rose to \$1,600 in 1928.

The only above-\$1,000 stock today is Coca Cola International, now

\$1,185 bid, with no shares offered. Convertible into eight shares of Coca Cola Co. common (below), that issue hasn't changed hands on the Big Board since it sold for \$470 over four years ago.

Wall Street, however, can still boast of a fair number of active blue chips. They don't provide much of a yield, since "safety" and "high in come" are not synonymous, and ordnarily, they offer little in the way of capital gain on a percentage basis But there are times when they can really move. And, as indicated in the compilation below, substantial paper profits have accrued to holders of many of today's crop of blue chips since V-J Day.

		T	he Postwar Pict	ure
	Approx.		Early	Gain
	Wartime	Approx.	March,	Since
	Close	High	1946	V-J Day
The Blue Chip Commons				
Allied Chemical & Dye	\$163	\$210	\$193	18.4%
American Tel. & Tel		196	190	11.7%
C. C. C. & St. L. Ry		205	192 Bid	*13.1%
			205 Asked	
Coca Cola Co	142	200	190	33.8%
Dow Chemical		170	155	14.8%
Du Pont	165	204	187	13.3%
Eastman Kodak	175	256	224	28.0%
International Silver	117	204	168 Bid	*53.0%
			199 Asked	
Mahoning Coal R. R	440	525	400 Bid	*5.7%
Triangle Com Tri Tri Tri			530 Asked	
N. Y. & Harlem R. R	194	410	250 Bid	*46.9%
			320 Asked	
Norfolk & Western	240	282	281	17.9%
Singer Mfg. Co		374	320	**1.8%
Union Pacific		169	150	20.0%
Vulcan Detinning		165	161	6.6
The Over-all Market				00.54
S. & P.'s Weekly Industrial Index		151.7	142.1	22.8%
S. & P.'s Weekly Rail Index	132.6	168.8		14.9%
D-J "Low-Priced Stocks"	388.6	614.2	564.7	45.3%

^{*} Figured on basis of half-way price between "Bid and Ash" quotation. ** Loss.

con

^{*}Readers can obtain copies of "Wool" or "Eggs," or both, without charge, merely by writing: Department "BW," Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y.

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If he hadn't stopped for that cigarette...his great invention might never have been born.

He lost a prisoner and found a fortune?

If a Los Angeles court attendant hauling a thief to jail hadn't wanted a cigarette so desperately that he actually lost his prisoner, one of the most remarkable inventions of modern times might never have been born.

Unfortunately, the cigar store where the officer and prisoner stopped for cigarettes was crowded and the clerk was slow. In the jostling and confusion, the prisoner escaped. Later, pondering his misfortune and the situation that had caused it, a thought came to the attendant. Why couldn't cigarettes be sold by a machine, like chewing gum?

Tinkering at home, he built a handmade model of his invention. A friend, Robert Z. Greene, heard of the enterprise, grew interested, went on a selling tour returned a week later with certified checks as advance payment for 100 vending machines. In eleven more months he had established nationwide sales distribution.

When he came to New York City, the last market and one of the most difficult on his schedule, Greene had an idea. Why should he sell the franchise to the richest territory of all?

Why not operate it himself? There was only one difficulty—it would take a lot more money than the young organization could muster at that time.

Just as so many other businessmen have done, Greene turned to the Bank of the Manhattan Company. He found its officers deeply interested in his plan. They were impressed with his company's growth and its progressive policies, and gladly helped with constructive counsel and financial aid.

Two years later Greene had another idea. It was to move the factory bag and baggage from California, and consolidate all production in the East. Again the Bank made its facilities available.

Today the Rowe Manufacturing Company is the largest builder and operator of cigarette vending machines in the world, its annual volume in millions. In the words of its president, Robert Z. Greene, "The Bank of Manhattan has always aided us, not with money alone,

but with friendly interest and advice. The Bank's officers continue to be among our most helpful and valued consultants."

Bank of the Manhattan Company

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

a proper balance" between "econoresources . . . and the demands them." He says it assures "priority those projects of capital developm . . . of the greatest importance in the tional interest."

Perpetuated under the Investa Act's provisions is the wartime Treas controlled Capital Issues Comman Hereafter, it will regulate the issue of all new corporate securities, the sitalization of surplus or reserves into called "bonus shares," and similar to actions, including nonbank borrous whenever more than \$400,000 a volved. Also, the bill permits the Taury to guarantee principal and into ury to \$200,000,000 annually) of ladesigned to reconstruct or develop dustry.

• Investment Council—Oversceing erations will be a National Investm Council, to which some banking a business representatives will be pointed. However, this group will only in an advisory, part-time capac and many fear it will be extremely stive to Treasury "orders" or police.

For

Thus, from now on, no new can be "wasted" in starting or enlar a cosmetics business or a cinema the chain, or in developing a new type radio receiver, if the state believes ditional blast furnaces or cotton m are more necessary for the national start and the flow of new money business will be guided in much same way that the flow of manpo



SIGHTSEERS

The reaction of the Soviet obsen—(left to right) Fedor Bystroy, tonina Bodrova, D. L. Dolotov—is self a point for keen observation the Savannah (Ga.) internation monetary conference now in programmentary conference now in programme

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A Matter of History—If asked why such gid peacetime controls are necessary, alton could give some very plausible asons. What occurred in Britain's new sues market after the first World Warnesn't make a pretty picture. Much inate capital was lost by being poured to the securities of as fine an agglomation of worthless, fraudulent, and, at est, indifferent new companies as had en the light of day in many a year.

Between 1926 and 1930, for example, one 38 new companies were organized st to make new phonographs and recrets, yet not one survived for more than few years. Nineteen concerns were smed to market automatic sales manines, none of which got to first base. heir securities shared the fate of the sues of 17 artificial silk companies, of 3 proposing to engage in various forms automatic or color photography, and ten safety glass makers.

ten safety glass makers.

For Variety's Sake—Others destined to op were started for such purposes as import radioactive mud from Porgal, brew beer in Albania, colonize reote sections of Bolivia, establish silver as farms in England, or to reclaim aste lands in Spain for orange growg. In 1928 alone some £119,000,000 as subscribed for new issues, and over 50,000,000 of this was lost within

To make matters even more disturber, Dalton can point out that in the me years such basic British industries steel, coal, and cotton milling were nguishing from inability to get new oney to modernize their equipment. Unfair Picture?—Dalton's critics, hower, charge that he paints an unfair cture in this respect. They say there as a good reason why new capital dn't flow to those industries. Each them was then losing money year ter year, principally because they could be compete abroad with the pound ackled to gold at too high a rate, and cy therefore had no allure for instors.

The critics don't defend the past od of worthless issues. But they institute that repetition of this could be prented by a rewriting of the company w. They also clain that when, as, and the government can maintain conditions under which the steel, coal, and atile industries can make a fair profit, enty of capital will flow to them.

Cutting the Arm Off—Dalton's critics targe that he and the Labor Party are using to cure a split finger by cutting arm off up to the shoulder. And exprofess to be afraid that "an uniminative, safety-first bureaucracy" may no "send our future Dunlops and ourtalds [the Henry Fords of Britain's aportant rubber and artificial silk ades] to seek their fortunes overseas."



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SOUND-ON-WIRE is the trade name of a revolutionary new kind of dictating machine that magnetically records your voice on a hair-thin, yet sturdy strand of wire. Its fidelity is so great that even a whisper is faithfully recorded. You can pace the floor while you dictate—Sound-on-Wire will pick up every word (a feature that makes it ideal for recording meetings and conferences). This newest of dictating machines makes letter writing a pleasure for both executive and secretary, while its ease of operation adds stimulus to creative thought.

STANDARD BUSINESS MACHINES CO. 542 SOUTH DEARBORN STREET • CHICAGO 5, ILLINOIS

FOR DETAILED DESCRIPTIVE BROCHURE

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MARKETING

Warned by FCC

Broadcasters are told that rules for license renewals will be stricter, that commercials will be eyed more carefully.

With about a third of all broadcasting station licenses up for renewal, the Federal Communications Commission last week told the industry that there will be a "generally more careful consideration of renewal applications," and that commercially sponsored programs are due for a large share of the added scrutiny.

• In the Cards-Broadcasters knew something like this was bound to come. For better than a decade the FCC has been extending its indirect authority over programing, at first citing the vague "public interest, convenience, or necessity" clause of the Communica-

tions Act as justification.

In 1943 the Supreme Court led the FCC out of its legal fog by ruling that the agency's authority was not merely confined to technical matters, but extended to service as well. With that in mind, the FCC now is revising its licensing procedure and has issued a report entitled "Public Service Responsibility of Broadcast Licensees" to show who is a sinner and who a saint.

• FCC's Reasons—What prompted the new Hoyle at this time, says the FCC,

was the following:

(1) In applying for licenses, too many stations paint a glowing picture of highminded program service, then succumb to commercialism.

(2) The current program structure shows imbalance.

(3) Too little effort is devoted to

program experimentation.

(4) A handful of advertisers dominates broadcasting. In 1944, 26% of Columbia Broadcasting System's business came from four advertisers, and 38% was handled by four advertising agencies. The rest of the networks had a comparable situation.

(5) Network affiliated stations often reject network sustaining programs to make room for local commercials.

(6) Advertising excesses are increasing—"one commercial recorded by the commission ran for just five minutes, without interruption of any kind." Also, there is evidence that big business ideological propaganda is seeping into the commercials.

 Yardsticks—The FCC now proposes to correct these sins by giving weight to four nontechnical considerations in granting licenses: amount of sustaining programs; amount of local live talent programs; amount of programs devoted to discussion of public issues; and the elimination of advertising excesses. Further, the commission has issued a ringing appeal for more college-university courses in radio, more listener councils, and "professional radio critics" patterned after the movie-stage fraternity.

Whether this means any sizable loss of revenue for broadcasters depends on how easily they scare. The new rules do not specifically state what proportions are to be observed between commercial and sustaining programs, and to that extent the persistence and argumentative ability of a station count as

much as the rules.

• Long-Term Implications—Presumably, however, some broadcasters will buy insurance for the future by kicking a few local commercials off the air to make way for network sustainers or civic-interest programs. And there should be some attempt to unsell advertisers on spot announcements (short, all-commercial programs)—for the excellent additional reason that most stations don't like them anyway. Feeling in the industry

long has been that when an adventa buys a 1-minute or a 5-minute spot; gets the benefit of surrounding program without paying for them.

But on the whole, broadcasters a more worried over the long-term important and thority than over immediate reven losses. Conceivably, the FCC's precent pation with advertising, sustaining programs, etc., can have a limiting edge on the pay-off of television and in quency modulation—radio's two before the pay-off of television and in the pay-off of television and the pay-off of television

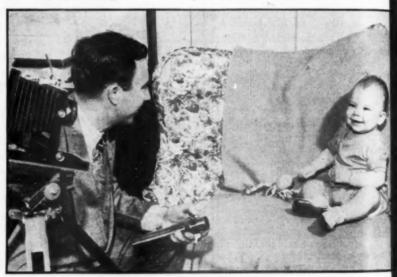
Surefire prediction: lengthy litigate the first time the FCC denies a state a license for alleged failure to confor

to the revised rules.

COLOR TELEVISION DEAL

Columbia Broadcasting System, in lowing through on its contention the color television in the ultrahigh in quencies could, with industry-wide of operation, be made commercially practicable by early 1947 (BW-Feb.94 p16), this week granted Westinghout Electric Corp. the first license to use CBS inventions in the construction of color television receiving sets and studiapparatus.

Westinghouse—and any other fin who become CBS licensees—will provalties ranging from 25¢ on recein sets sold at retail for less than \$100.



DIAPERS OR PICTURES OR BOTH

From diaper service to made-in-the-home pictures of diaper wearers was logical step to Atlanta's two-year-old Lullaby Diaper Service. And its brank new offshoot, Lullaby Studios, makes no charge if the pictures aren't sats factory. The Diaper Service tucks literature describing its new department into the semiweekly diaper bundle. Then, on appointment, the studio ex-Marine cameraman turns up, shoots four to eight poses of a child amid all the comforts of home—including dry diapers. If the mother wants to but them, she pays \$21 to \$48 a dozen. After only a month's operation, Lullab reports a landoffice picture business, is booked three weeks ahead.

GIVE YOUR... COLORFUL SALES APPEAL! PRODUCTS... UNUSUAL NEW BEAUTY!

DIMENSO



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In entirely NEW, HIGHEST QUALITY Product Finish

3-dimension effect . . . 2 colors . . . in 1 spray operation!

Whether you make office equipment, radio equipment rewing machines—no matter what your product if it is metal and is to be coated . . . give it amazing ew beauty . . . and SALES APPEAL . . . by "gift-rapping" it with a finish of DIMENSO. A DIMENSO nish will give your product precisely that high uality appearance you know it deserves.

Using standard spraying quipment—and the patented DIMENSO gun—apply a smooth pating of the two colors of your election. DIMENSO is a Synhetic Finish of Highest Quality—fits baking schedules, 225°F

to 325°F—bakes to a crack-free finish that resists wear, cleans easily—and sells your product.

EXCLUSIVE COLOR RIGHTS! AND Sherwin-Williams will work with you to develop your *exclusive* color combination . . . registered . . . to be yours alone. Call your Sherwin-Williams Industrial Representative today for a demonstration.







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"The California Trend"

...a fact-based forecast...will help you plan your business if your plans include California. Write Dept. AD, 300 Montgomery St., San Francisco 20, or 660 So. Spring St., Los Angeles 54, for a free copy. Californians liked the progressive goal of A. P. Giannini when he founded the Bank of America in 1904...to bring a fully-rounded banking service within reach of all the people. These men and women of California gave Bank of America the kind of support that built it to its present size—with 493 California branches—a statewide organization providing local service.

Bank of America, a member of the Federal Reserve System and the Federal Deposit Insurance Corporation, has main offices in the two reserve cities of California—San Francisco and Los Angeles.

∢RESOURCES OVER 51/2 BILLION DOLLARS▶

Bank of America

LONDON, ENGLAND, BRANCH: 12 NICHOLAS LANE, LONDON, E. C. 4

BLUE AND GOLD BANK OF AMERICA TRAVELERS CHEQUES ARE AVAILABLE THROUGH AUTHORIZED

\$1 per set for those retailing at \$250 more. Columbia reserves the right a change this rate on three months notes to 4 of 1% of the proposed retail pring if the Combined Index of Retail Pring of the U.S. Dept. of Commerce, or the Cost of Living Index of the Bureau & Labor Statistics, should rise 25% to more above the Jan. 1, 1945, level.

The royalty on studio equipment in 1% of the net selling price. This gives the licensee the right to make separate parts and to have such parts made by others for him, but not the right to all parts separately except for repairs or replacements. Both license arrangements are for five years and can be extended

COSMETICS FOR ALL AGES

With the recent advent of toiletne especially packaged for boys and girl from 8 to 14, cosmetics manufactures are covering all the seven ages of man—and, of course, women.

The manufacturers already had tapped the infant market with gift set of such items as skin oil and talcum. They had taken advantage of the war boom to promote men's toiletries to new highs. And they had seen the sale of women's cosmetics touch an all-time peak (BW-Mar.9'46,p53).

Typical of the new toiletries for the pig-tail set—but with better-than-typical merchandising behind it—is the "Kie



metic" line introduced by Irene Blake Cosmetics, Inc., New York. It includes bubble bath, which is by all odds the most popular item, shampoo, bath powder, hand lotion, "Kleen" (for grimmy knees and elbows), and hair trainer (for youthful cowlicks). They're fair-traded at 59¢ each, set of two for \$1, set of three for \$1.50. One Manhattan department store is reported to have sold \$30,000 worth of Kidmetics between last Nov. 4 and Christmas.

Other brands on the market include Jack 'n' Jill, Sweet 'n' Lovely, Little Lady, Pigtail Parade, and Medi-Sweet.

Keconversion

WORD FOR IT!

BULLARD CREATES NEW METHODS TO MAKE MACHINES DO MORE

for example:

See how the

BULLARD MAN-AU-TROL

> Vertical **Turret Lathe** lowers unit production costs

Lightens Labor's Load. Operator machines one piece manually, setting production method into automatic cycle; then merely loads, supervises and unloads while MAN-AU-TROL does the work.

Makes Automaticity Versatile. Automatically handles any work within manually-operated scope of Vertical Turret Lathe. Converts instantly to manual operation on same or entirely different piece without affecting automatic cycle.

Saves Set-up Time. Set-up time from one class of work to another is only slightly more than for a manually-operated machine.

Reduces Salvage Cost. Machines day after day with consistent accuracy not obtained under manual operation.

Reconversion means changing back. What business needs today is to change forward . . . to new machines and new methods that will increase output per man-hour . . . thus lowering unit costs so that more and more people can buy.

That is the only way higher wages and more jobs can be created while business retains the adequate return on investment that pays for the new machines and new methods. The Bullard Company, Bridgeport 2, Connecticut.





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". . . best designed machine of its type"

"WE got more real pleasure out of installing and working with your MIKRO-PULVERIZER than with any other piece of equipment in the plant. It's the best designed machine of its type I have ever seen," one chief engineer writes.

Each MIKRO is a special unit designed to give best results on the specific application for which it is intended—the only truly "custom-built" pulverizer. That is why its design registers approval.

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SEEKS

Manufacturing and Selling Rights

American manufacturers of Hydraulic Presses, Shears, Brakes and Hydraulic Units, contemplating a broadening of their foreign sales, are invited to contact the managing director of a British Company at the address given below. This company desires to operate under a manufacturing and sales territory license agreement for the entire British Empire.

Assembly and detail drawings, and other pertinent and necessary information, must be supplied by the American builder and owner of the patents. The British company will work entirely on a royalty basis, the product to carry the American trade name.

Managing Director now in the U. S. A. will welcome interview. Can be reached care of

Box 495, BUSINESS WEEK 330 West 42nd Street, New York 18

Backing for OPA

Supporting legislation in 80 cities and 4 states makes price agency's job easier and speeds enforcement process.

Baltimore is now considering an ordinance adopting OPA legislation and providing for enforcement. If the city enacts the measure, it will join some 80 cities and towns that have passed laws supporting rationing, ceiling prices, and rent control.

In addition, four states—California, New York, Rhode Island, and Wisconsin—have backstopped OPA with statutes of their own.

 Better Enforcement—Local rationing, ceiling price, and rent control legislation helps to make OPA's job easier and more effective.

For example, once a city votes to pitch in on the national program, OPA's enforcement staff automatically grows by the size of that city's police form. Local courts are likely to be more synpathetic in a case involving a local recontrol ordinance, as well as a feder rent control law. Also, litigation is often speeded, since the government is permitted to bring criminal actions before local tribunals rather than being confined to federal courts, where they are more likely to be delayed by clogged calendars.

It is this kind of support that made it possible for federal enforcement of cials to dispose of 2,147 local criminal actions during the last six months of 1945. Of this total, the government won 2,102, a shade under 98%. This percentage of victory is typical of the whole war period. About three-fourth of these actions originated in New York City, which is generally conceded to have the best OPA-supporting order nance in the country.

Upheld in Two States—The constitutionality of local enforcement legislation has been challenged in New York Michigan, and Ohio.

In New York, the first test came two

He Makes Privileges Pay Their Way

During the war V.I.P. meant Very Important Person-multistarred general, scrambled-egg admiral, government czar—who got AA-1 priority all the way. Now Bill Murphy (below), ex-licutenant of the Navy, formerly with Columbia Broadcasting System, has a new enterprise which is designed to give the V.I.P.'s of business the smooth "greenlight" service that the war chiefs rated.

• Advance Agents—In New York, under the name of V.I.P. Service, Inc., Murphy and his wife Charlotte do a sort of Elsa Maxwell job for corporation personages visiting the big city—securing hotel and transportation accommodations, seats at the new shows, choice spots at the night clubs, and arranging their social schedule generally.

Another phase of V.I.P.'s service was started by Charlotte while her husband was still with Uncle Sam. A General Motors publicity worker, she shipped food packages to the company's Overseas Corp. as a sideline. Under the new setup, this business has expanded to include overseas representatives of CBS, and Time and Life.

• Shippers and Chaperones—In all, V.I.P. ships some 800 packages of food, cigarettes, and clothing a month—including baby food to a Paris newsman. Their profit: the

difference between packers' wholesale prices and OPA retail ceilings. Recently headlined disclosures of racketeering among packaging concerns gave the firm an unexpected lift in new business.

With its sights set on eventually expanding into a travel agency, V.I.P. finds some of its assignments far from humdrum. One of its latest deals: chaperoning four out-of-town "Cinderellas"—lucky winners in a CBS give-away program—during a month of festivity in Gotham.



Granberry forks A FEATHERWEIGHT-

But it certainly takes punishment when the pickers get to swinging

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The job's a cinch as long as the cranberry fork swishes freely through the bushes, gathering berries at every swing. But it strikes snags and stones a plenty in its busy life, and that's when the toughness of its American Magnesium forged tines counts.

The lightness of those tines is especially important here, too. Imagine having to swing, all day long, a picker made of heavy metals!

Doubtless, many of your products-those that move or have to be moved-can be improved by making them lighter with magThis cranberry fork is made by Wisconsin Cranberry Sales Co.

nesium. Our engineers will help you work it into your designs. And American Magnesium can supply you with magnesium parts in every form. Call the nearest office of Aluminum Company of America, Sales Agent for American Magnesium Products. Or write to Alcoa, 1711 Gulf Building, Pittsburgh 19, Pa.



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Get at the Seat OF WORKERS' FATIGUE!

Workers tire easily when seated on uncomfortable, non-adjustable chairs. Harter Posture Chairs eliminate this fatigue factor, and promote higher efficiency, by providing tailor-made comfort.

There is a Harter Posture Chair for every job in office, shop, and factory. Each model is fully adjustable to the worker and the occupation. Steel construction, foolproof adjustments, and smart appearance insure years of satisfaction.

Ask your dealer about Harter's complete line of posture chairs. For your own

use, try Harter's handsome executive posture model. Dept. B-3, Harter Corporation, Sturgis, Michigan.

HARTER

STEEL POSTURE CHAIRS

years ago when the highest court upheld the state statute. A few months ago, the same body upheld the New York City ordinance, which has much stiffer penalties than the state law. Two years ago Detroit's ordinance was upheld by the highest court in Michigan. · Conflict Cited-But in Ohio, the Cleveland ordinance has been downed three times in the last two years, the last time only about a month ago. Here, the Supreme Court of Ohio ruled that Congress had occupied the field of such legislation and that the local ordinance was therefore in con-flict with the federal statute. It also ruled that the ordinance made an invalid delegation of legislative power to the federal government.

A rehearing of this case is pending.

Airport Stores

Tire companies, after surveying the field, are pushing plans for retailing equipment and services to air amateurs.

After a short period of experimentation, three of the big tire companies—Firestone, Goodyear, and B. F. Goodrich—are undertaking a more intensive cultivation of the airport retail business, which caters primarily to amateur aviation enthusiasts. While the tire companies always have been interested in expanding the market for airplane tires, tubes, and brakes, they now want to push widely diversified lines, including Plexiglass windshields, compasses, flight calculators, radio transmitter-receivers, propellers, and clothing.

• Tested Strategy—This strategy fol-

• Tested Strategy—This strategy follows the standard pattern adopted in the marketing of auto-tractor lines. To keep dealer loyalty in the competitive (and highly seasonal) rubber-products field, the big companies eventually began supplying the tire dealer with non-rubber items to bolster profits. Many of these lines are not manufactured by the tire companies themselves.

Since airport retail stores do not differ materially from ordinary auto stores—they are generally owned by independents and stock the ordinary requirements of aviation enthusiasts—Firestone licensed two of them (Page Airways in Rochester and Flight, Inc., at Cleveland) late in 1944 as an experiment (BW—Sep.30'44,p87). Subsequently other dealers have been added in 38 states and Alaska.

• Inducements—Now Firestone is making a real drive in the aviation sectors by (1) issuing a catalog showing the widely diversified items available for retail stores; (2) offering to procure fixtures for airport stores at cost, together



At Cleveland Municipal Airport, T. E. Byron, co-owner of a Firestone aircraft dealer's store, helps a "lady-bird" try on a flying jacket—one of many flight accessories stocked. The store was among the first to test Firestone's ideas in diversifying the lines carried by airport stores.

with a planning and display service; (3) prepaying freight of more than 100 lb, and granting 2% discounts for cash; and (4) giving the larger operators a distributor franchise if they sign up to service smaller dealers in their areas.

Goodyear persuaded Air Associates. Inc., to let its experts modernize the latter's store at the Teterboro (N. J.) Air Terminal. Sales doubled after the Goodyear planners finished their revamping, with the result that the time company will streamline other Air Associates stores in Chicago, Dallas, Los Angeles, Atlanta, and Kansas City.

• Experimental Store—B. F. Goodrich

has developed a line of about 80 aviation products. So far the regular Goodrich dealer organization is being used to merchandise them.

But Goodrich has also set up an experimental airport supply store in its own hangar at Akron. Here the company not only offers parts and equipment for planes, but has established a staff of five licensed engineers to service and repair private and commercial ships.

BLOW TO KITCHEN GADGET

The idea of electronic household cooking—widely bandied about as a postwar wonder—was deflated this week when Edison General Electric Appliance Co. (Hotpoint) revealed the results of experiments carried on in connection with its parent company, General Electric Co.

In the first place, reports Hotpoint,

etail for about \$1,000, compared the current price of \$116.50 for the current price of \$116.50 for the ranges. But Hotpoint found more discouraging the conclusion food cooked electronically doesn't food to established standards of standards of the price of the pric

fotpoint's experiments with warmprecooked food were more success-Use of electronics is embodied in a ding machine developed by G.E. Automatic Canteen Co., which will ver sizzling hot dogs in return for usual inserted coin (BW-Jan.5'46,

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Western vegetable growers an new shipping methods to ampete with frozen foods in stern middle-income market.

Western vegetable growers, whose duce takes about five to ten days to che astern markets, have long been ng the spectacular goings-on in the ck-frozen food industry. What both-them particularly is that the quick-zen product often comes to the marin better shape than the unfrozen iety and carries a brand name.

repackaged by Rail-So far the comition doesn't hurt much, except pers in local situations, because quicken vegetables now represent only out 1% of the total U.S. consumpcompared with 85.5% for fresh duce, and frozen fruits account for 0.35% of total use, compared h 87.4% fresh (BW-Feb.2'46,p30). ertheless western growers are conned about this future competitionwell as those old hazards of spoilage ough shipping and handling-and nk they have a way to combat the nation: by prepackaging about 20 vaies of vegetables and then shipping m in specially constructed refrigera-

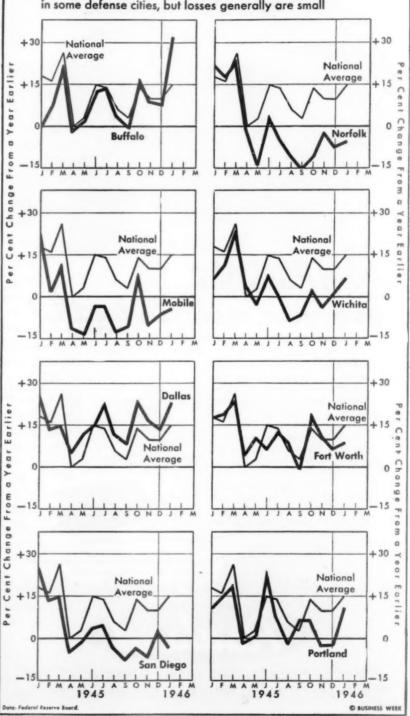
To iron out the kinks in such a prom, the Western Growers Assn. (Calimia-Arizona) has set up a new West-Growers Experimental Institute, ile the California Cooperative Packing Assn. similarly is experimenting the prepackaging.

Decision of the western growers to neentrate on rail shipments indicates at air express will continue to play a nor role, and that one in luxury ms. Air costs—in the opinion of the growers-are too expensive for the highly competitive food field.

 Air Results—Results of an experiment conducted jointly last year by Fisher Bros., Cleveland food chain operator, and the Ralph E. Myers Co., Salinas (Calif.) growers, substantiate this opinion. Over a three-month period, 92,878 lb. of produce were flown to Cleveland. Although Cleveland housewives demonstrated their willingness to pay a premium for the airborne produce—particularly such perishable items as tomatoes, asparagus, and berries—Fisher Bros. figures it cannot make money on air



Closing of war plants affects department store sales in some defense cities, but losses generally are small





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express shipments unless fleight da are held to 13¢ a lb. or less, den to its warehouse floor. At the la airline rate announced to late is la lb. from airport to airport, with delivery a minimum of 2¢ a lb. a dition.

• Special Handling—As western are snow envision it, the rail-preparating program will consist of stanfield-fresh, ready-trimmed vegetable special containers and shipping to new type of refrigerator car that the salers will move the produce in special stands a 38-degree temperature. We salers will move the produce in special containers which will the equipment necessary to man temperature.

Prices on the prepackaged lines be set to attract the "baby can trade"—that is, middle-income grow and are supposed to take the playar from quick-frozen prices. When a pleted, the whole program will wrapped up in a promotional bla that is to include radio advertising, brand names, and domestic service.

• Mechanical Problems—Which etables are best suited to prepackage and the best weight per package still problems. So also are ideal paining materials and ideal refrigerators But the railroads are already starting wrestle with their end of the problem illinois Central and Burlington building experimental refrigerators the Illinois Central's being a glass final aluminum job. The cars are designed maintain even temperatures by a detable tirculates dry, cold—air over For the turn-around run from East West, the cars can be stripped down become regular boxcars.

The western growers' venture paparallels and partly reverses recent a ern trends in fresh vegetable prepasing (BW—Dec.25'43,p92). In the lipobers and wholesalers, rather figrowers, have been the chief prepasing and branding enthusiasts (not with respect to tomatoes). And the ern fraternity overcomes the spoin rather than using special cars for etables already ripened.

· Pay Dirt Ahead?-But regardless such differences, the success of ear packagers in branding and market tomatoes indicates that the wes growers may hit pay dirt, once they able to lick their mechanical probl And that some of the best merchan ing know-how sees a rosy future in produce has already been indicated the extensive experiments carried or the Great Atlantic & Pacific Tea Co supplying Columbus (Ohio) wives with prepackaged produce wh it is selling as a further attraction refrigerated display cases (BW-0 20'45,p93).

9 Billion Dollars worth of Peace Hind

for 3,150,000 Equitable Policyholders and Their Families

IF ALL MEMBERS of the Equitable family of policyholders were to call a single place home, "Equitable Town" would be about the same size as Boston, St. Louis, Pittsburgh and San Francisco combined!

It might look more like a fabulous Holly-wood movie lot than an ordinary city, with Texas ranchers living next door to Connecticut school teachers, Iowa corn growers and Cape Cod fishermen. Doctors from Chicago and mechanics from Detroit would be neighbors to Georgia cotton growers and Oregon foresters.

The families of "Equitable Town" have joined in a great co-operative enterprise of family security. There are now 3,150,000 members of this great family. In the past year they increased the life insurance they own to \$9,172,440,000. Their membership in The Equitable means peace of mind and the assurance of funds to carry out cherished plans.

Last year these families received checks for an aggregate of \$238,064,000—an average of \$27,716 every hour throughout the year. These benefit dollars helped keep families together, assured children of college education, paid off mortgages, provided retirement income and served many other human needs. Assets guaranteeing this flow of benefits reached a new high of \$3,849,438,000, an increase of \$341,455,000 for the year. Beyond their primary purpose of assuring the payment of policy benefits, these funds are furnishing capital for business and industry in every state of the union. They are helping to finance millions of productive jobs. They are aiding farmers and home owners.

Truly, life insurance funds mean more factories, more work, more homes, and richer living for all America.

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Is Questions to ask your self to make sure you are getting the most out of your life insurance. Send today for a copy of "Your Policy" to Equitable Life Assurance Society of the United States, 393 Seventh Avenue, New York 1, N. Y.

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A CENTRALIZED-Location for your decentralized-Pacific Coast Plant!

Brightest spot in the entire nation is the Pacific Coast. And most centrally located, to serve this rapidly growing area, is Richmond, on San Francisco Bay.

In Richmond, you'll find every facility for profitable manufacturing and distribution.

There's plenty of industrial land still available... on large or small acreage... complete with utilities... and at exceptionally low prices. Choose deep water frontages... spur tracks... main highways!

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There's labor here . . . lots of it . . . skilled and unskilled. And due to wartime expansion, there are temporary homes for workers with large scale permanent housing developments planned.

Gas, electrical power, water and petroleum are available in unlimited quantities—and at low prices. Mild, invigorating year 'round climate encourages production, too.

Couple these obvious production advantages with Richmond's central location . . . to serve the 16 million people of the Western mainland and the 800 million of the Pacific Basin Area. Your factory here can outserve and outsell less favored competitors.

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If you'd like the facts—ALL of them—write for "Richmond Wins the Peace."
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Largest industrial area on San Francisco Bay

Movies Worry

Although first-run house hold profitable wartime grosse second runs are off 10% to 30%. Theaters seek innovations.

Although first-run motion put theaters in metropolitan cities are a rolling up new high records at the broffices, business in the lower-admin secondary, neighborhood, and small community houses is leveling off first the peaks, with dropoff of 10 % to 30 reported since V-J Day in some log ties.

• Innovations Sought—Returning to icemen and former war workers flat with savings have been the major fath in holding the first-run grosses to high levels. But a prominent circuit ecutive says that indications point to sharp dropoff in business in the laftest runs and more expensive these perhaps by this fall, estimating the excess spending money will by that to have diminished to the point who many patrons will get back to norm and economize by attending the low admission theaters.

This will hit the producers when hurts the worst. It is estimated in Hill wood that 75% to 80% of the gron a major picture comes from the fill 100 first-runs in key cities. And the dustry executives, foreseeing a decline the major income-producing first business, have been seeking innovation in films that might help to reverse the trend.

Stories, star casts, direction, production costs have reached the point who a two or three million dollar picture no longer a novelty. A forthcome Selznick production, Duel in the Selznick production, and cutting, editing, technicolor print, a distribution costs are added it will be to gross over \$7 million just to be even. Executives, both in products and in theater operation, have decided that more color productions and materialistic sound reproduction would be trially assist in retaining audiences high levels.

• Better Techniques—On sound, possibilities of introducing startling improments pose few problems. Wester Electric, in 1940, demonstrated stereophonic sound system (develop in Bell Telephone Laboratories) to the industry; but at that time it was a given consideration because of antipated costs of re-equipping them sound equipment (BW-Apr.20%) p50).

Wo

CO

Since that original demonstrates the stereophonic sound system been greatly improved. The method

GOVERNMENT-OWNED CHANNEL TYPE CARBON BLACK PLANTS FOR SALE OR LEASE

The War Assets Corporation, a subsidiary of RFC, has been designated as a disposal agency by the Surplus Property Administration and invites proposals for the purchase or lease of the following properties in the interest of continued employment. These properties were acquired by various agencies of the government for production in the war effort, and are now, or shortly will be, declared surplus to government needs. Listing of these plants by

name of lessee is for identification purposes only, and has no connection with the lessees' own plants or facilities.

Machinery and Equipment in each of the channel type carbon black plants described below consists of special machinery for the manufacture of Channel Type Carbon Black including burners, scrapers, conveyors, pulver-izers, loading and bagging equipment, machine shop and laboratory equipment.

Guymon, Oklahoma (Plancor 2317) Cabot Carbon Co. (Texas County)

omplete Channel Type Carbon Black Plant, ca-city: 15,000,000 lbs. of Channel Type Carbon Black per year.

LAND consists of approximately 5914 acres— plant site, 56 acres; housing site, 314 acres. Leased: Essement for water and power line—right of agress and egress for construction, repair and

AUTILDINGS AND FACILITIES include 192 BUILDINGS AND FACILITIES include 192
Burner Buildings, construction concrete, steel and
sheet iron, total, 310,504 sq. ft. Approximately
2 other buildings including Process Buildings,
Shop Buildings, Warehouse and Service Buildings,
construction generally concrete, steel or wood
frams, sheet iron or asbestos siding, 20 frame
dwellings for workmen. Total all buildings approx.
42,767 sq. ft.

Water from Leesee's plant. Gas wells on site. Serage disposal plant on site. Other utilities. Chicago & Rock Island R.R. Parallel to site U.S. Oklahoma Highway No. 54. War Assets Corporation (RC), OKLAHOMA CITY, OKLAHOMA.

Seagraves, Texas (Plancor 2316) Columbian Carbon Company (Gaines

Complete Channel Type Carbon Black Plant, capacity: 13,000,000 lbs. of Channel Type Carbon Black per year. Gas Desulphurization Plant; 20st Gas Supply Pipe Line and 3 miles of railroad siding and switch track.

LAND (owned) consists of approximately 235% acres as follows: (a) 25% acres for railroad right of way, (b) 26% acres for housing aites at Carbon Black and Treater Plants, (c) 17% acres for Treater Plant aite, (d) 160 acres for Carbon Black Plant site, (e) 6% acres for access road. Leased Ind.: Approximately 49-4/5 acres for 33" right of way for 20" Gas Pipe Line 65,158" in length.

BUILDINGS AND FACILITIES including 160 BILDINGS AND FACILITIES including 160 currer Buildings construction concrete foundation, steel frame and sheet steel sides and roofing, otal approx. 250,560 sq. ft. 17 other structures ecluding Refining Buildings, Warehouse Buildings, Machine Shop Buildings, Pump Houses, Admistration Building, etc. Construction generally tructural steel frame, sides and roof of corrugated expent asbestos, concrete and wood floors and oncrete foundations. 19 frame dwellings for workset. Total all buildings approx. 285,462 sq. ft.

Water from wells on site. Gas from West Texas Gas Company. Other utilities. Santa Fe R.R. siding. State Highway No. 51, War Assets Corpora-tos (RC), DALLAS, TEXAS,

Sunray, Texas (Plancor 2277) Continental Carbon Company (Altman

County/
Complete Channel Type Carbon Black Plant, capacity: 20,000,000 lbs. of Channel Type Carbon Black per year. 16" Gas Supply Pipe Line.
LAND (owned) consists of approximately 155 acres as follows: Carbon Black Plant site 149-2/5 acres; Housing site 5½ acres. Leased land: 50' right of way for 16" Gas Pipe Line 11,747' in length.

BUILDINGS AND FACILITIES include 228 BUILDINGS AND FACILITIES include 228 Burner Buildings, construction concrete foundations, steel frame, black sheet iron sides and roofs, total approx. 437,760 ag ft. 8 other buildings including Processing Buildings, Storage and Supply Warehouse, Machine Shope, Administration Building, Change House, etc. Construction generally concrete foundations and floors, steel frame, corrugated asbestos walls and roofs. 20 frame dwellings for workmen. Total all buildings approx. 475,777 sq. ft.

Water from wells on site. Gas from Shamrock Refining Company. Sewage disposal plant on site. Other utilities. Rock Island R.R. sidings. Con-venient to arterial highways. War Assets Corpora-tion (RFC), DALIAS TEXAS.

Monument, New Mexico (Plancor 2254) Chas. Eneu Johnson (Dona Ana County)

Complete Channel Type Carbon Black Plant, capacity: 15,200,000 lbs. Channel Type Carbon Black per year. Desulphurization Unit, and 14" Gas Pipe Line.

Gas Pipe Line.

LAND consists of approximately 616-3/5 acres including plant site and Gas Pipe Line right of way approximately 2,839 rods long and 2 rods wide.

BUILDINGS AND FACILITIES consist of 1:4
Burner Houses, construction steel and concrete with metal roofs, total approx. 259,584 sq. ft. 10 other smaller Process and Service Buildings, approx. 23,103 sq. ft. 14 frame dwellings for work-men. Total all buildings approx. 291,428 sq. ft. men. 10tal all balldings approx. 291,426 sq. 1t. Water from wells on site. Gas from Warren Petroleum Company Refinery. Sewage disposal plant on site. Other utilities. Texas and New Mexico R.R. siding. Plant site adjacent to State Highway No. 18, 8 miles south of Hobbs, New Mexico. War Assets Corporation (RFC), DALLAS, TEXAS.

Eunice, New Mexico (Plancor 2253) Panhandle Carbon Co. (Lea County)

Complete Channel Type Carbon Black Plant, capacity: 15,000,000 lbs. of Channel Type Carbon Black per year. Gas Treater Plant. 20" Gas Supply Pipe Line. LAND (owned) consists of approximately 1481/2 acres as follows: Carbon Black Plant site, 13014 acres; Treater Plant site 31½ acres; Housing sites at Carbon Black Plant and Treater Plant 514 acres; Access Road 8-4/5 acres. Leased land: 50′ right of way for 20′ Gas Pipe Line 40,715 ft. long. BUILDINGS AND FACILITIES consist of 168 Burner Buildings, construction concrete foundations, steel frame, black sheet iron sides and roofing, total 322,560 sq. ft. 9 other structures including Process Building, Warehouse, Machine Shops, Bodler House, Electrical Sub Station, Administration Building, Laboratory, etc. Construction generally concrete, steel frame, corrugated asbestos walls and roofs. 18 frame dwellings for workmen. Total all buildings approx. 357,948 sq. ft. Water from wells on site. Gas from Phillips Petroleum Company. Sewage disposal plant on site. Other utilities. Texas and New Mexico Railroad sidings. State Highway No. 8. War Assets Corporation (RFC), DALIAS, TEXAS.

Odessa, Texas (Plancor 2279) United Carbon Co., Inc. (Ector County)

United Carbon Co., Inc. (Ector County)

2 complete Channel Type Carbon Black Plants,
capacity: 41,000,000 lbs. of Channel Type Carbon
Black per year. 3 Gas Treater Plants; 4 Gas Pipe
Lines 14", 26" and 24", 26" and 16" in diameter.
LAND (owned) consists of approximately 42554
acres as follows: Carbon Black Plant 394-45's acres
Water Supply site 3-1/5 acres; Treater Plant at
Judkins 2/5 acre; Housing site at Judkins 1 acre;
Treater Plant at Barnsdall 2-1/5 acres; Housing
site at Barnsdall 1½ acres; Treater Plant at
Goldsmith 3-3/5 acres; Housing site at Goldsmith,
1 acre; Treater Plant at North Cowden 2 acres;
Housing site at North Cowden 1½ acres; Housing
site at Odessa 14½ acres.
Leased land for right of way of pipe lines as fol-

Leased land for right of way of pipe lines as fol-lows: Carbon Black Plant to Judkins—50' wide, 32,120' long; Carbon Black Plant to North Cow-den—50' wide, 84,089' long; from North Cow-den to Barnsdall—50' wide, 27,341' long; Carbon Black Plant to Goldsmith 50' wide, 86,255½' long. to Barnsdall—90° wide, 27,341° long: Carbon Black Plant to Goldsmith 50° wide, 86,255½ long. BUILDINGS AND FACILITIES consist of Plant No. 1: 176 Burner Buildings, structural steel frame with sheet iron covering, total 310,080 sq. ft.; Plant No.2: 240 Burner Buildings, structural steel frame with sheet iron covering 426,240 sq. ft. Other structures including various Process Buildings, Machine Shops, Administration Buildings, Warehouses, etc., in respective locations. Construction generally structural steel with corrugated metal or corrugated asbestos sidings. 88 frame dwellings for workmen situated on 5 different sites. Total all buildings approx. 852,800 sq. ft.
Water from wells on sites, Gas from Phillips Petroleum Company, Cities Service Petroleum Company and Barnsdall Petroleum Company, Sewage disposal system. Other utilities. Texas and Pacific R. R. siding. U.S. Highway No. 80, Wer Assets Carparation (RFC), DALLAS, TEXAS.

CREDIT TERMS MAY BE ARRANGED FOR THE PURCHASE OF THESE PLANTS

General information is available from your nearest War Assets Corporation (RFC) Office. For specific data, contact the office indicated for each plant. All data contained herein are necessarily abbreviated and

subject to correction. They are not intended for use as a basis for negotiations. WAR ASSETS CORPORATION reserves the unqualified right to reject any or all proposals or offers received for the above properties.

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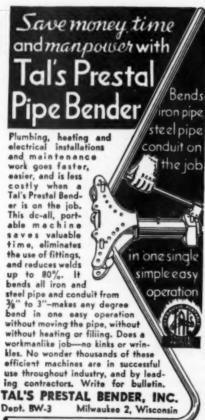
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uses three separate sound channels for pickup when the scene is recorded—one on the right of the set, second in center, and third at left. On release prints, the tracks would be in sequences for reproduction separately to corresponding sound horns on the theater stage. In other words, sound would actually come from the side of the screen as required by the action, and not from the center—as at present. Radio Corp. of America also is improving its sound equipment along similar lines.

TOMBSTONES BY MAIL

City newspapers have been carrying full-page offerings to sell tombstones by mail. This would be no news to farmers who for over 40 years have been able to buy monuments from Sears, Roebuck catalogs (Montgomery Ward does not compete).

Sears stocks tombstones in its catalog houses, forwards the orders to monument makers strategically situated to serve its customers at minimum freight costs.

Some offers by single-line mail-order tombstone companies are for compressed-chip, cement-filled "stones" for as little as \$9.95.

Rockdale Monument Co. of Joliet, Ill., and Superior Monument Co. of Atlanta offer free delivery anywhere in the U. S. Sears tops this by arranging through cemetery superintendents for the stones to be set.

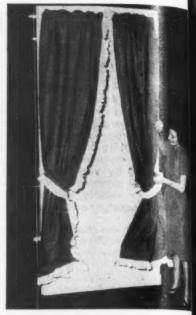
The Monument Builders of America, organization of local builders, sees red at mention of additional mail-order sellers. Its 3,000 members are finding it difficult to meet orders because labor is short in the quarries. Present orders of the makers total \$72,000,000, a backlog of two to three years at present rate of delivery. Also, the monument builders expect to start 3,500 war memorials this year. Thus they want the least possible diversion of their raw materials. Local makers object to frequent calls to finish or letter mail-order stones from whatever seller. This takes time from more profitable local business.

P.S.

General Motors believes that teen-age boys are about back to normal in their output of soap box autos. So the Soap Box Derby will be resumed in August after the wartime lapse of five years.

The Dept. of Commerce, in a new study, estimates that about 20% of the national output of toilet preparations is marketed under private labels.

Add dated products: Dated tires, manufactured by the Dayton Rubber Mfg. Co. Each tire will have a number molded into the sidewall to show the date of manufacture ("246" meaning February, 1946, for example).



PARCHMENT FOR WINDOWS

Eight thousand shoppers jammed Macy's New York store one day last week for ruffled paper draperis (above). Some of the shipment of 150,000 pairs, retailing at 98¢, was reserved for mail and phone order. They're made by Carole Drapery Co., a Norwich (Conn.) firm organized this year by some interests represented in Titus, Blatter & Co., old-line drapery house. Paterson Parchment Paper Co., Bristol, Pa., furnishes the paper. The curtains can be cleaned with a damp cloth and ironed, are said to be weather-resistant as well.

Revised Dept. of Commerce estimates show that sales in retail apparel stores last year amounted to \$7,632,000,000, not \$6,725,000,000 as previously indicated (BW-Mar.2'46,p78). The gain over the preceding year was approximately 13½%.

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Since inaugurating a policy of purchasing from any manufacturer regardless of size (BW-Mar.31'45,p80). Safe way Stores says that—on the basis of sample tabulations—it has accepted 28% of offered products. The majority of rejects were because Safeway already was stocked with the particular products offered.

Esso Marketers (Standard Oil of New Jersey), a steady television experiments since 1939, has signed a 26-week television contract for two 10-minute new programs weekly over NBC, which is issuing a guide for television neophytes entitled "Guide to Commercial Froduction Procedure."



"Yes, my triple-size territory brings me the income right now that I've always dreamed of earning within the next ten or twelve years! And we're serving new areas our big competitor can't go into until he trains more field men . . . unless he starts flying his men like we do."

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That's from the young man at the wheel of his Swift. He could be the regional sales supervisor of a big drug products distributor, the advertising representative of a national magazine, a technical field consultant with a chemical engineering firm . . . he could be YOU.

In any traveling job you'll find that flying your new Swift will pay off in at least four ways. You can earn more money by producing more results . . . by spending more time on the job, less time "on the road." You enjoy more time at home with the family . . . in and out every few days, not every few weeks. You lower traveling costs and up traveling profits . . . quickly become worth more than a non-flying man. As a **Swift** flying man, you build recognition and prestige for yourself and your firm for being modern, alert and progressive.

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LABOR

U.A.W. Giants Gird for Battle

Impending fight over union presidency will not pit right against left, though opposed philosophies are involved. Whether Reuther or Thomas wins will not affect employers immediately.

Intense internal factionalism, which has wracked C.I.O.'s United Auto Workers since its foundation in 1936, split the union's topside leadership apart this week and threatened to make the U.A.W. convention—opening Mar. 23 in Atlantic City—the stormiest labor meeting in recent years.

The coming battle will center on the office of president, one of the three or four most important posts in the American labor movement, with the incumbent Roland Jay Thomas fighting to keep his job from Walter P. Reuther, now a vice-president and leader of the marathon strike against General Motors, which ended this week (page 17).

• Rival Philosophies—While personal

• Rival Philosophies—While personal ambition is a key factor, the clash pits against each other rival union philosophies. Its outcome will affect the character and orientation of the nation's largest labor organization.

Because the twists and turns of radical ideology are as devious as they are, it is misleading to describe the struggle for power within U.A.W. as a left-wing, right-wing fight. Reuther, for example, is to General Motors the most radical labor leader at large, yet to the Communist Party he is a counter-revolutionary reactionary.

• Source of Strength—The strength of Reuther within the union rests, in part, on the fact that he is regarded as highly distasteful to both G. M. and the extreme leftists. The rank-and-file of the union is sure that anyone an employer hates is an invaluable representative of its interests (page 93), and it also shares the distrust of Communism that is characteristic of U. S. labor.

Reuther's position on basic issues has been not much more consistent than that of his Communist rivals. He was an early advocate of building up the nation's war industry potential, for example, but he was also among the first of the important labor leaders who called for scrapping labor's no-strike

• Always Militant—Though anti-Communist, his position has always been militant and his followers say that if he appears to be inconsistent, it is because he is responsive to the changing attitudes of the union membership rather than to a party "line."

At one time he was considered close to the Socialist Party, but now he classifies most accurately as an independent whose political consciousness and intellectual interests set him apart from the two dominant types of labor leaders, "business unionists" and Communists.

• A Phil Murray Man—Reuther's rival, Thomas, is a 100% Philip Murray man, meaning that he has no firm ideological position but follows the direction of the head of the C.I.O. At different times, in order to keep his job, he has aligned himself first with the Reutherites, then with the Communists inside his organization.

Thomas holds the U.A.W. presidency because the opposing factions are so evenly matched that a small group of his followers exercises a balance of power. Any alliance between the two major groups, or important defections from one to the other—a contingency Thomas is now maneuvering to avoid—would unseat him, despite the full support he could expect from Murray in a showdown.

• Discipline Suffers—Because Thomas is boss of the union in name but not in fact, U.A.W. earned a reputation for

being the nation's worst-diplined labor organization. He dared not estrange either faction by cracking down on a contract-breaking local which, like as not, was a strong Reuther or anti-Reuther adherent.

Even though he maintains his office of president in the face of the Reuther threat, it is unlikely that Thomas will find himself able to crush the Reuther influence sufficiently to play a strong man role.

Reuther's ascendancy to the office would not immediately increase the union's stability either. His opponent would put their heart into making things difficult for him during his term of office.

• Added Turmoil—Thus, to the employers living with U.A.W. under contracts and to the others who deal with unions which may be influenced by the direction the U.A.W. takes, the outcome of the Thomas-Reuther fight has little immediate, practical importance besides the fact that it stirs up added turmoil.

In the longer run, however, whether the union is dominated by the anti-Communist, but at the same time anti-employer philosophy of Reuther, or whether its leader has the opportunistic but similarly antiemployer philosophy of Thomas, can conceivably be of considerable significance.

ENFORCEMENT-AND HOW

Since the termination of the National War Labor Board on Dec. 31, the government has done nothing to enforce its decisions. It has left the parties to their own resources. The means used by a small local of the A.F.L. meat cutters union, representing 131 employ-

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Principals in labor's biggest internal bout of the year will be R. J. Thomas (left) defending his U.A.W. title against hard-hitting Walter P. Reuther.

THE LABOR ANGLE

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When the steel strike started, President Truman appointed a factinding board to examine the issues n dispute and make recommendations for their settlement. That board spent most of its time waiting in intercoms while the principals in the case were being heated up or cooled off by various high government representatives. Then Truman, himself, without the aid of fact-finders, formulated the recommendation on which the strike was settled-an 181¢ hourly wage increase and there was nothing at all for the fact-finding board to do except make a graceful-as-possible exit. To keep its abdication from being

too precipitate, the board went through the motions of making what it titled a "terminal report" which, save for one point, will interest only historians. That point, which touches on a very live issue, involves the legitimacy of the strike.

The wage dispute in steel arose under a wage-reopening clause which provided that, while all other contract terms remained in effect, rates would be renegotiated. The companies maintained, before and during the strike, that any work stoppage violated another contract provision which provided for uninterrupted production. The wage reopening clause said nothing about how new wage rates were to be determined in the event the parties could not come to a voluntary agreement. The union's position was that, because that particular clause was silent on the matter, a strike could be called without violating the no-strike clause which was written elsewhere into the contract.

The steel fact-finding board addressed itself to this controversy and concluded that the strike was legal under the contract. Its reasoning was based principally on the holding that if the union was prevented from striking, and no other method was provided for resolving a wage dispute, final determination of the issue would be at the sole discretion of the employer.

While this judgment is not to be taken as official government policy, it is nevertheless a ruling on a high level and may well become a precedent basis for resolving similar disputes. It is, therefore, of immediate and practical consequence. Employers who have wage-reopening clauses in labor contracts should make sure, even at the risk of doing some redundant writing, that these clauses come directly under the no-strike guarantee umbrella which is standard in most agreements.

Reuther

An analysis of the competing political forces within C.I.O.'s United Auto Workers (page 90) reveals that Walter Reuther is stronger than he ever has been before. For this, his followers credit General Motors. It seemed obvious to U.A.W. members that G.M. wanted, above everything else, Reuther's scalp; that if he could have been erased from the picture, a satisfactory offer from the company would have been forthcoming long ago.

This has rallied almost as much support to Reuther as if he had, long since, led the G.M. strikers to a thumping victory. If G.M. has, indeed, been aiming at undermining Reuther's position, its strategy has proved bad and its policy has boom-

eranged.

Hatters

Union wooing of veterans continues. The United Hatters (A.F.L.) has instructed its 40,000 members not to work overtime pending reinstatement in their jobs of 4,500 veteran hatmakers.

The same union, always an active booster of the "Buy Union" slogan, has budgeted \$250,000 for an advertising campaign promoting unionlabel consciousness.

s of Kohrs Packing Co., Davenport, wa, turned out to be the government

elf. Here's what happened: NWLB, in one of its final acts, upeld its regional board in granting mainnance of union membership, higher homas age scales, and other concessions. The ion complained that the company was ot putting the decision into effect, and

that it had no recourse to the govern-

Then came the strikes against the meat packing plants for postwar wage increases and subsequent government seizure of the plants, including Kohrs.

Alert to the provisions of the Smith-Connally act, which allow application to be made to the new National Wage

Stabilization Board for changes in wages or working conditions in seized plants. the union petitioned the board to implement the terms of the decisions of its predecessor.

The board ordered the decisions into effect, but, as was done in the Montgomery Ward case, it directed that the retroactive portion of the wage increases be paid only out of net operating income during the period of government operation. If sufficient funds are lacking from this source, a report is to be made to the President.

United Front

Rail unions concentrate on demands for higher wages as two brotherhoods agree to work during fact-finding.

Threatened strike action by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen this week went the way of other recent rail labor disputes (BW-Feb.23 46,p100) as the unions agreed to continue work while an emergency board appointed under the Railway Labor Act studied the issues.

· Concentrating on Pay-The engineers and trainmen divorced their demands on the nation's railroads from those of 18 other operating and nonoperating unions when officials of the larger group dropped original plans to fight for broad expansion of "working rule" benefits for members--including many so-called "featherbedding" practices (BW-Jan. 19'46,p86)-and to concentrate at this time on getting more money.

Thus, nonoperating unions now are asking only for 30¢ an hour more and operating groups for \$2.50 a day more for a total of 1,300,000 rail workers whose demands are being argued for the third week in arbitration proceedings in Chicago. The engineers and trainmen are demanding a 25% wage increase and in addition are standing by the brotherhoods' original 37-point program for "improved working condi-

· What Workers Want-Included are time and one-half for overtime and for work on Sundays or seven legal holidays; a daily minimum guarantee for all regular, extra, and unassigned employees; payment for time held at away-fromhome terminals after twelve hours; annual sick leave with pay; establishment of a rule limiting train lengths; redefinition of the basic work day which for men aboard trains is based upon a combination of hours and mileage; and for a wide variety of other working rule changes.

The railroads requested separation of

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why, I learned to work our

problems with less than 15 minutes
instruction. So make it easy on
yourself, ask your boss to order
a Friden Fully Automatic

instruction, just telephone the



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actual pay demands and those for wing rule changes, agreed on arbitration when 18 of the 20 unions a cepted a proposal. The arbitration award, agreement, will be final. In the dispinivolving the other two unions, nenemployers nor unions are bound by to accept fact-finders' recommendate. However, in at least one instance, wolving the Central R. R. of New Jers the trainmen's brotherhood sought back with the threat of a strike its mand that the carrier committies advance to acceptance of the fact-faing panel's report.

• Costs Estimated—Spokesmen for a Assn. of American Railroads estimated that wage increases alone would a \$920,000,000 to the carriers' operations, about three times estimated a income for 1946. The rules change which the association complained may upward from demands "for two hope pay for the employees' time in har their watches inspected"—were oppose as "destructive of efficiency, and a signed solely to produce more par Railroads have estimated an addition annual cost of more than \$700,000,000 if rules changes are made.

FOREMEN'S TEST AT BOHN

Federal mediators were attempts this week to settle a six-month striof the Foreman's Assn. of America a Bohn Aluminum & Brass Corp. pla in Detroit.

Efforts of the mediators were spum by a situation developing from sett ment by the company of a strike calk in the same plant by the C.I.O. Unto Automobile Workers Union. Clean of this strike early in the week was set as a possible prelude to the reopena of the plant in spite of the foremen picket lines.

The foremen went out Sept. 12, a serting that the company violated strictly when summoning some of the number back to work after a poster changeover shutdown. When the rain and-file workers refused to cross the supervisors' picket line, the company closed the plant.

After the workers had used up the unemployment benefits, they formalize their idleness into a strike, demanding the 18¢ wage advances recently awards by Bohn in other plants. Settlement for the workers along these lines were reached Monday, but the foremen continued to picket.

The conciliators were attempting sell Bohn on a proposal, apparent agreed to by the F.A.A., that the supervisors would return to work under selectivity rules, with a bargaining committee representing them for an interiperiod until the courts have finall reached a decision on whether supervisory unions are legal.

A Hog Can Cross America Without Changing Trains—But YOU Can't!

The Chesapeake & Ohio and the Nickel Plate Road again propose to give humans a break!

t's hard to believe, but it's true.

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If you want to ship a hog from coast coast, he can make the entire trip hout changing cars. You can't. It is possible for you to pass through cago, St. Louis, or New Orleans withbreaking your trip!

There is an invisible barrier down middle of the United States which cannot cross without inconvence, lost time, and trouble.

560,000 Victims in 1945!

you want to board a sleeper on one st and ride through to the other, you st make double Pullman reservations, k and transfer your baggage, often age stations, and wait around for nections.

It's the same sad story if you make elatively short trip. You can't cross it mysterious line! To go from Fort yne to Milwaukee or from Cleveland Des Moines, you must also stop and nge trains.

last year alone, more than 560,000 up the eple were forced to make annoying, the e-wasting stopovers at the phantom inese wall which splits America in half!

End the Secrecy!

y should travel be less convenient people than it is for pigs? Why ould Americans be denied the nefits of through train service? No has yet been able to explain it.



Canada has this service . . . with a choice of two routes. Canada isn't split down the middle. Why should we be? No reasonable answer has yet been given. Passengers still have to stop off at Chicago, St. Louis, and New Orleansalthough they can ride right through other important rail centers.

It's time to pry the lid off this mystery. It's time for action to end this inconvenience to the public . . . NOW!

Many railroads could cooperate to provide this needed through service. To date, the Chesapeake & Ohio and the Nickel Plate ALONE have made a public offer

How about it!

Once more we would like to go on record with this specific proposal:

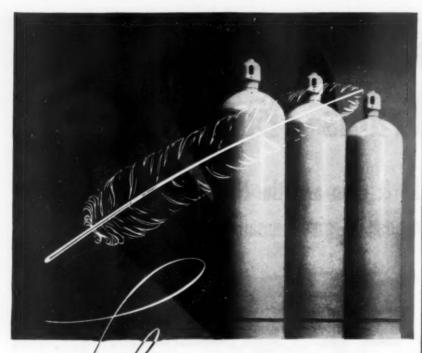
The Chesapeake & Ohio, whose western passenger terminus is Cincinnati, stands ready now to join with any combination of other railroads to set up connecting transcontinental and intermediate service through Chicago and St. Louis, on practical schedules and routes.

The Nickel Plate Road, which runs to Chicago and St. Louis, also stands ready now to join with any combination of roads to set up the same kind of connecting service through these two

Through railroad service can't be blocked forever. The public wants it. It's bound to come. Again, we invite the support of the public, of railroad people and railroad investors-for this vitally needed improvement in rail transportation!

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CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

N.F.T.W.'s Coup

Independent union adds its stature by the settlement of tained from Western Electri Bell Telephone, and A.T.&T.

Settlement of the 65-day-old state of 17,300 employees of 21 Wests Electric plants in New York and not ern New Jersey this week, based on pattern set to avert a nationwide state of telephone operators threatened elast week, has cleared final threats labor peace in the telephone indust It has also added measurably to the stature of the independent Nation Federation of Telephone Works Union.

• Terms—The Western Electric stricted when the company, manufacting unit of the American Telephone Telegraph Co., agreed to raise was 18.2% (or about 17.6¢ an hour) a drop demands for a company secun guarantee. The union, the Weste Electric Employees Assn., affiliate of the N.F.T.W., compromised its positions maintenance of membership.

Employees will be given a 15d "escape" period for resigning fm W.E.E.A. without losing their not to work at Western Electric. The after, for the duration of the contra W.E.E.A. members must maintain do payments to the union. Failure to so constitutes the only ground of which the union can demand discharge M. of m. becomes, in effect, main nance-of-dues.

• Last-Minute Threat—For a few hor a deadlock at Western Electric over three issues—wages, m. of m., and or pany security—threatened to nullify strike-eve settlement of a threaten walkout of telephone operators a tionally (BW—Mar.2'46,p97). The N.F.T.W. warned it would resume plans to tie up communications if affiliate was not included in the broast telephone system workers.

The telephone operators' wage dimands were settled with increases an aging 17.6¢ an hour for Bell Telephone employees and for long lines operator employed by A. T. & T. The agreement reached in Washington less than to hours before scheduled time for the strike, applied directly only to 19.31 long lines operators, but N.F.T. accepted company assurances that the pattern would be applied immediate to give raises to 16 other groups whis were involved in the current wage diputes. Weekly raises will range from \$5.5 to \$8.

• Must Pay Dues—The company's oligations under contract m. of m. claus

age

modified by the new agreement, so thenceforth it is not mandatory to charge an employee on request of the on for any reason except nonpayment regular union dues. Employees need hold membership in the union but st, in order to safeguard their work its, permit a checkoff of dues to the

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t still was too early this week to asthe effect of the new agreement on the increases given voluntarily by variable Bell Telephone companies and T. & T. units prior to the recent dispute. The voluntary agreements, covering an estimated 235,000 workers, gave increases averaging an hour, less than the 17.6¢ produint the new agreement. Like long soperators in New York City, who is signed for \$5 last December, these reers had no immediate assurances of applementary increase to bring their ges into line with the new pay pro-

Inion Is Strengthened—While the F.T.W. failed in one objective, to industry-wide bargaining, its officers led the agreement signed by A. T. & as a step in that direction. They also re quick to point out that the victory engthened and consolidated the F.T.W. as a full-fledged union indo of a loosely knit federation of local ups. They promptly invited affiliant of independent organizations which represent an additional 150,000 feers.

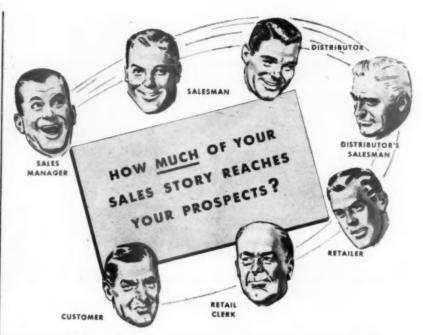
The week's developments also bolted N.F.T.W.'s hand in a close-to-chest game being played with F.L., C.I.O., and the Confederated ions of America (BW-Mar.9'46, 4), each of which would like to have telephone workers' union come units aegis. Having demonstrated in that N.F.T.W. can play its own ds, and win, the independent union we can expect to receive some better

olicy Defined

Bowles outlines procedure seeking price relief and age-increase approval. Tests NWSB are explained.

Employers had a clearer idea this ek of what they could expect from government's new wage-price policy W-Feb.23'46,p15).

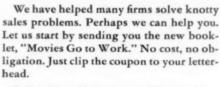
Supplementary regulations and a sess of 91 questions and answers issued Economic Stabilization Director ester Bowles explained the procests they must follow and what tests be applied by the government in proaching wage increases and grant-



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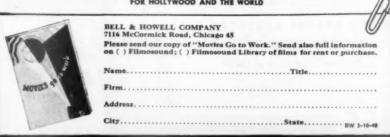
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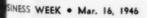
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14 Divisions from Coast to Coast

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PROTECTIVE PACKAGING



ing necessary price relief under a revised policy (BW-Feb.23'40.pl5).

• Principles Set Forth—In a stateme of policy of the National Wage & bilization Board, employers and unowere given a look at the principle which the board will apply in determing "general patterns," "related industries," "gross inequities," and other

Thus the bare skeleton of the Predent's executive order is beginning be clothed. Officially no alterations a anticipated. From the wage standpoint this is what we have:

Wage increases in the building as construction industry, increases for age cultural workers, new rates for jobs new plants or new departments, and a wage decreases, require prior government approval before being made. As other increases not affecting celling prices or government costs may granted at will.

• Preapproval Plan—Even though or ing prices are affected, an employer may "preapproved" increases and procedurectly to OPA in quest of a price increase. The preapproval category includes increases made by most employed of eight or less; six paid holidays a venight-shift bonuses up to 5¢ and left for second and third shifts; paid various up to two weeks; and increases conformity with a "general pattern once that has been laid down by the government for a particular industry area.

Other increases may be made without prior approval or waiver of right to see price relief later if the employer fill notice with NWSB within 30 days string that he has "no present intention of seeking a price hike. Even if the waincrease is later approved by NWS OPA will require the employer to just his changed position before the pricadministration will consider grantinhim relief.

What the Board Will O.K.-The wage stabilization board will approup upon application:

(1) Increases following a "gener pattern" which developed in an indust or area before Feb. 14. Increases made by "dominant" companies or groups a companies will determine the pattern Once a pattern is declared by NWS similar increases become "preapproved for other employers. Patterns a nounced: basic steel and iron ore ming, 184¢; meat packing, 16¢; shipbuilding, 18¢.

(2) Increases in related industries correct gross inequities. Here comparson is made of current "rates" as well increases." To determine whether twindustries are related, consideration given to similarity or interdependence products, management, union identity wage-rate structures, geographical relationship. As to recognizing a "gross in gross in the correct growth of the

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equity," consideration is given to reduced take-home pay. This could prove to be an important factor in the coal negotiations if the miners' work-week is shortened.

(A 19¢ increase was approved for the Aluminum Co. of America because of relationship of aluminum to steel. NWSB plans to issue an "approval regulation" giving 19¢ the status of a "general pattern," thereby preapproving the same increase for other employers in aluminum.)

(3) Cost-of-living increases allowing rates averaging 33% above those paid on Jan. 1, 1941.

(4) Increases to correct substandards of living.

(5) Increases which were approvable in wartime.

No consideration will be given to a proposed wage increase which is conditioned on obtaining price relief, although it may be conditioned on NWSB approval.

The Salary Stabilization Unit in the Treasury Dept, (which has jurisdiction in the case of requests for increases in salaries of over \$5,000) is preparing regulations which will be patterned after those of NWSB.

Shipyard Tangle

San Francisco shipbuilder, planning to reopen struck yard face a three-way fight involving wage and jurisdiction problems

San Francisco shipyards have a rugge week ahead. They plan to throw ope the gates that were locked last Oct. I by a strike of Lodge 68, International Assn. of Machinists.

Their plan is not a strikebreaking maneuver. Lodge 68 decided this we that an 18¢-an-hour wage increase agree upon recently by the Pacific Coa shipbuilding stabilization conference was an acceptable compromise for the 30% demand which led to the strike And the lodge instructed its membe to return to work at the shipyards. • Rapid Reversal-But events moved swiftly while Lodge 68, a power ful union, was changing its mind about the size of increase it would accept And Lodge 68 as a constitutional entit found itself on the outside looking Harvey W. Brown, international pre

Organizers of Foremen Get NLRB Boost

The National Labor Relations Board gave organization of supervisory employees a powerful push last week when the board ordered, by a 2-1 decision, an election at a Jones & Laughlin Steel Corp. coal mine to determine whether 190 foremen and other supervisory personnel want to be represented by the United Clerical, Technical & Supervisory Employees Union, an affiliate of the United Mine Workers.

· Another Precedent-The order. which already has drawn strong employer opposition and which is certain to be contested vigorously in federal courts, for the first time gave NLRB sanction to affiliation of supervisory employees with a national labor organization which also represents production workers. This expands the former, precedent-setting position taken by the board in the Packard Motor Co. case (BW-Dec. 15'45,p108), giving foremen the right to join and be represented by unions which are not affiliated with organizations of rank-and-file work-

Paul M. Herzog, chairman, and John M. Houston of NLRB took the position that since Congress did not specifically exclude supervisory workers, it would be an "abuse of discretion" to refuse National Labor Relations (Wagner) Act benefits to foremen. Besides, according to the board majority, to deny to supervisory employees the right to collective bargaining elections "would simply turn the direction of the struggle for union recognition from the ballot box to the economic [strike] battlefield."

• Boost for Lewis—Gerard D. Reilly filed a dissenting opinion that, by permitting production and supervisory workers to become members of the same labor organization, the board "seriously impaired the ability of the operators effectively to operate their mines."

First important effect of the decision will, of course, be strengthening of John L. Lewis' hand in negotiations with bituminous mine operators, in which foremen organization is a prime issue (page 102), but perhaps more important, in the long run, will be the impetus the decision will give to a free-for-all organizing race for foremen in the mass production industries. C.I.O.'s new Foremen's Union of America (BW-Mar.9'46,p86) only started the ball rolling with its petition for collective bargaining elections in western Pennsylvania steel mills.

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ident of I.A.M., set the stage last week for the showdown.

• Leadership Is Scored—Brown filed with his executive council multiple charges that Lodge 68 had conducted an unsanctioned strike in defiance of the Connally-Smith law and had committed the cardinal sin of trade unionism by collaborating with a "dual" union of C.I.O. machinists.

Before the executive council could convene as a trial board this week, Lodge 68, at a mass meeting attended by perhaps half its 8,000 members, seceded from the I.A.M. and assumed

an independent status.

 Legal Loss—But in dealing itself out of the I.A.M., Lodge 68 also dealt itself legally out of the closed-shop labor contracts held by the I.A.M. with the shipyards, 100 or more machine shops, and a dozen key manufacturing and

processing plants.

At midweek, Lodge 68 had shown no indication of accepting an 18¢ increase for employees of the machine shops and so-called fringe plants. Its lowest offer up to then had been 19% (about 24¢ for journeymen). Omission of these shops from Lodge 68's voluntary "settlement" pinned the label of guinea pig on the shipyards—until Brown disclosed that he had negotiated peace terms with all the employers (for a standard 18¢ increase in the shipyards, for 18% in the machine shops).

 In the Middle—The shipyards and ship repair yards have a contract obligation to employ only machinists cleared through I.A.M. The yards also will be under pressure from other A.F.L. unions to respect I.A.M.'s contract rights.

If the shops accept credentials of the I.A.M., they risk retaliatory measures by Lodge 68. If they recognize Lodge 68, they jeopardize their contract and risk retaliation from other unions.

• Next Move?—Still another tangent to the central dispute is the simultaneous strike that has been waged against shipyards on the eastern side of San Francisco Bay by Machinists Local 1304 of the C.I.O. United Steelworkers of America, the "dual" union with which Lodge 68 has openly collaborated.

Local 1304 was built upon the foundations of a lodge kicked out of the I.A.M. in 1936 for an unsanctioned strike. Talk has centered about the possibility that Lodge 68 may follow it into the C.I.O. Steelworkers and create a new balance of power in San Francies. John politics

cisco labor politics.

• Mutual Support—Local 1304 also "settled" its disputes at midweek and instructed members to return to their jobs next week, but only on condition that San Francisco employers clear their workers through the rebellious Lodge 68.

The I.A.M. is making an undisguised effort to woo members of Local 1304 and has reported moderate success.

Lewis Strategy

Mine workers submit nine general proposals on wages and work conditions, leaving first move to operators.

John L. Lewis, on behalf of the United Mine Workers of America, went back 20 years for his strategy in opening conferences with the bituminous operators this week.

• Permits Quick Shift—In the twenties, representing a union whose position in its industry was precarious, Lewis would open a wage conference with only the most general statement of what the mine workers wanted. Specific formulation of demands would be left for development in the course of negotiations. Such an approach saved the union the embarassment of having to make a final settlement far short of its announced objectives and gave the union a flexibility which permitted it to shift around quickly and get a maximum advantage in a situation in which it was on the defensive.

The U.M.W. today is an infinitely more powerful organization than it was in the twentics. It begins the business

HOW BIG IS THE COAL PILE?

ALL STOCKS

Apr. 1, 1941

of negotiating a new contract now certain of getting at least the 18½ an how wage increase that was granted to the steelworkers. And its bargaining position for getting more than that the nation's critical need for coal being what it is (chart)—could hardly be stronger.

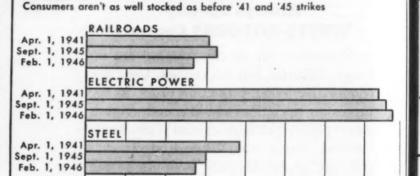
• Up Against the Line—But the union

• Up Against the Line—But the union is up against an opponent which may prove as formidable as the operators ever were in the pre-New Deal days, and Lewis, never reluctant to take chance, prefers to have the odds in his favor. That opponent is, of course, the government of the United States, the higher officials of which have announced a determination to hold to the wage-price policies now in effect (page 97).

For Lewis to do appreciably better than his C.I.O. rivals in steel, oil, auto, and meat packing—whose wage gains averaged from 15% to 19%—he will have to win an exception to those policies of break them. Hence the choice of an elastic bargaining strategy.

• Nine Proposals—Without making detailed demands, Lewis presented the operators with nine proposals for amending the coal contract which expires Mar. 31. Negotiations will, of necessity, go on simultaneously with the mine owners and government representatives. His nine general proposals call for:

(1) Establishment of a health and we



Sept. 1, 1945
Feb. 1, 1946

0 10 20 30 40 50 60 70

Number of Days Supply on Hand

Date: Dept. of Interior Gauss

Stocks of bituminous coal in the hands of consumers (including retail dealers), measured in terms of days' supply on hand, are lower now than they were before either of the last two nationwide coal strikes. Two of three major consuming industries follow the same pattern, and inventories held by electric utilities show only an insignificant increase. The stock situation is especially serious in the case of the steel industry. The 28-day supply that the industry held on Feb. 1—already low in comparison with earlier figures—is itself inflated due to the low rate of operation during the steel strike. When the mills were running at the normal rate during the preceding two months, coal on hand amounted to only about 20 days' supply.

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Even if it's raining cats and dogs outside, it's a beautiful day to you when you awaken in the Hotel Pennsylvania after a really relaxing sleep. There's nothing quite as restful as a 537-coil, built-in-springs bed!



2. You're in your private bath. There's an abundance of snowy white towels and plenty of lathery soap. And the whole place is immaculate—even your drinking glass is sterilized and wrapped for your protection.



3. You stroll in for breakfast, expecting the finest menu in town. And that's exactly what you find . . . the most appetizing menu in town. And served in the hospitable Hotel Pennsylvania tradition.



4. You're off to a busy day—and you'll find that the heart of the business district is only a short distance away. If it has stopped raining by this time, you might even walk. The Hotel Pennsylvania is strategically located near the business, shopping, and theatrical districts.



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fare fund for miners to be financed by a tonnage royalty on coal: (2) adjustment of the controversy involving membership of mine foremen in U.M.W.; (3) increasing wages and reducing working hours; (4) adjustment of vacation, holiday, and severance pay; (5) improving safety conditions; (6) adjustment of pay differentials; (7) elimination of fining and penalty provisions; (8) increasing efficiency and "eliminating the small tyrannies of management"; (9) adjustment of the controversy over unilateral interpretation of contract terms by the operators.

Delays at Ford

U.A.W. council opposes clauses on productivity and promotion. Revised terms seem sure of union approval.

Some hurdles remain before the Ford Motor Co. contract with the C.I.O. United Auto Workers, calling for an 18¢-an-hour wage increase, becomes effective, despite the contract's acceptance by the joint committee that negotiated it (BW-Mar.2'46,p96).

It was evident at this week's session of the Ford Council of the U.A.W. that there was definite opposition to some sections of the agreement. The members of the council avoided the onus of taking a hard position—important political strategy on the eve of the union's convention (page 90)—by instructing the negotiators to go back into session with the company over two clauses dealing with promotions and productivity. Thereafter the terms will go to a rank-and-file vote, probably next month. Ratification by the membership is needed to make the contract effective.

• Disputed Clauses—Although the council's opposition to several portions of the contract appeared to have been started up by the Communist wing within the local, there was a united front against the clause on productivity.

This clause provided that if standards of productivity—to be set by the company—are not met by employees, they are subject to discipline ranging up to discharge. The unionists wanted a hand in setting the standards.

The other clause specifically opposed gives precedence to merit, ability, and past performance over seniority in determining which men shall be promoted.

• Higher Policy—A clause exempting specified classes of Ford employees from organizing was referred to the International Board. This move was made on the grounds that locals were instructed not to negotiate such exclusions.

Communist vociferations were loudest with reference to the company secur-



COMMAND PERFORMANCE

From her master, Secretary of Laba Lewis Schwellenbach, Ginger accept a tidbit for a job well done. Laweek when the going got rocky during conciliation sessions to halt the telephone walkout; Secretary Schwellenbach whistled Ginger, a femal mongrel, into his office. She were through her gamut of tricks (she rollover, raises her paw to swear to the truth) and the tension broke. The settlement was announced that night

ity clauses, but, in a generally surprising development, these portions of the contract were approved by the council. To clauses provide stiff penalties for worders participating in wildcat strikes.

A Vete of Confidence, Netwithstandia

Vote of Confidence—Notwithstanding
the council's moves, it voted continuor
confidence in Richard Leonard, nation
Ford director of the union, and his neg
tiating staff. It was not believed that the
council's action would adversely after
Leonard's chances for a vice-president
at the forthcoming union convention.

The unionists will meet shortly wittop Ford negotiators in efforts to modithe two clauses to which objection with most pointed within the council. The week the odds were that the rank at file would approve the final deal.

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UNION METAL

Craftsmen in Steel Fabrication

Textile Pattern

Agreement on 65 minim hourly wage settles two m strikes, leads way to solution about 100 similar disputes.

When the Textile Workers II of America (C.I.O.) recently settled five-month southern cotton to strikes by compromising original mands, the whole importance did lie in the fact that a pattern had set for solution of more than 100 ilar wage disputes without work in ruptions.

Of equal significance, the agreem provided for 65¢ minimum hourly which southern congressmen argued cannot be granted profitable textile operators (BW-Mar.246 and thus brought southern wages to parity with those provided in many T.W.U.A. contracts with northern ton and rayon textile mills.

• Retroactive Rise—And, importa the agreements gave T.W.U.A. sup ing victories for its coming hard with John L. Lewis' District 50 w is planning to collaborate with an A textile union in an organizing camp in southern mills. District 50 ah has petitioned the National Labor lations Board for collective bargan elections in seven American Vis Corp. plants now under contract T.W.U.A., has organizers busy in a mills.

A 161-day strike ended at the 51 spindle Entwistle Mills, Rocking N. C., when M. Lowenstein & S. Inc., New York mill operator which cently purchased the closed Entry plant, signed a contract with T.W. The agreement provided a 5¢ minimum hourly wage; manner of membership and a ched of union dues, in lieu of the union demanded by T.W.U.A.

• To Handle More Work—A 204

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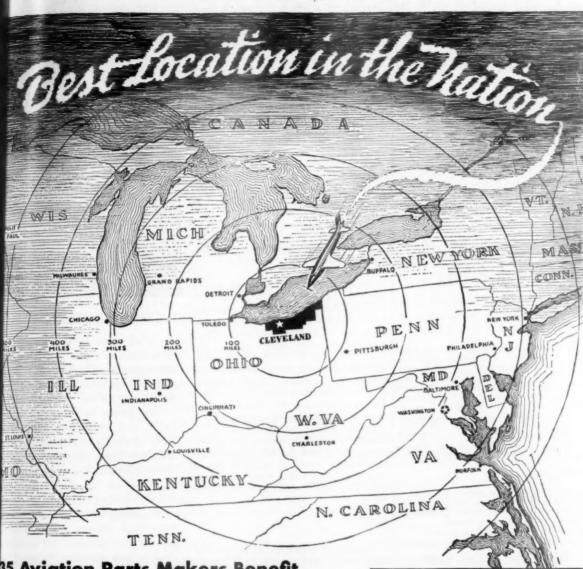
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• To Handle More Work—A 20s strike of 5,500 employees of Erwin ton Mills at Erwin, Durham, and Ceemee, N. C., ended when North Clina's Gov. R. Gregg Cherry brounion and company officials togs for a compromise which raised van average of 14¢ an hour—includiberal incentive payments—and vided for the 65¢ hourly minimum

The C.I.O. textile union recommade a blanket demand on 147 so ern mills for a 15¢ hourly wage incommod a 70¢ hourly minimum, and the ened strike action by its 100,000 m bers in the mills if negotiations in Contracts were signed with 26 emers—including the large Cone do cotton mills of Greensboro, N.



35 Aviation Parts Makers Benefit from Northeast Ohio's Assets

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ie d N. E CLEVELAND-NORTHEAST OHIO area is the proven best location rairplane parts producers and allied industries. Already 135 makers airplane parts are thriving here.

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generally calling for a 10¢ increase and 65¢ hourly minimum, before Erwin's agreement was reached, but federal conciliators seeking to avert crippling textile strikes looked on the settlement as the break they had been awaiting.

Another came when mill operators, who had used the argument of pricing uncertainty in their refusal to boost wages, were allowed increases of from 5% to 10% in ceiling prices, or about 21¢ to 5¢ a pound, to cover the higherthan-parity cost of cotton and increased

Of the increase, 4½% is attributed directly to higher labor costs, and can be claimed only by employers who raise wages at least 121% or to a 65¢ hourly

• Six-Month Strikes-One quick effect was a reopening of negotiations in other southern textile situations, in which about 6,000 workers have been idle since August.

Another quick reaction came in the major unorganized textile mills, with the big Cannon Mills Co. announcing a 10¢ increase and a 65¢ hourly minimum for its 18,000 employees. Other unorganized mills agreed to give the same increase. T.W.U.A. immediately claimed its wage demands would be reflected in raises for 100,000 unorganized textile workers, 47% of whom have been receiving less than the 65¢ minimum now being set by contracts.

• Pattern for Region-Raises to the 65¢ minimum were facilitated by an announcement from the 4th regional wage stabilization board in Atlanta that it now recognizes 65¢ as the "approvable minimum rate" in the southern textile

Supplies of peanuts, butter, poultry, and coffee began moving in 21 Boston waterfront warehouses last week as A.F.L. warehousmen ended a three-week strike (BW-Feb.16'46,p104) by returning to work at their former pay and leaving to arbitration wage and other issues in their dispute with employers.

Members of the A.F.L Seafarers International Union ended a 20-day tie-up of Norfolk (Va.) ferry service (BW-Mar.9'46,p97) by agreeing to work at their old pay for the Virginia State Highway Commission-which seized strikebound properties of the Chesapeake Ferry Co.-pending a settlement of their wage row with the company.

Although generally considered among the "settled" strikes, at midweek C.I.O. tie-ups in the steel industry still made steel the third ranking strike situation from the standpoint of men idle. An 181¢ hourly raise resulted in 472 settlements, covering 600,000 workers, but more than 150,000 others in 426 fabricating plants still were striking as fab-



INCENTIVE INSPECTOR

To Washington to head up the Den of Commerce's new Incentive Div sion comes Charles E. Broka (above), a veteran salesman with perience in action. A former colone he saw plenty in invasions of Ital Leyte, and Mindanao. Brokaw w study industry's incentive system and how to use them to increase t nation's production, distribution, an consumption of consumer good His division will include sections deal individually with all groupsfrom wage earners and salaried en ployees to salesmen and executive Brokaw was affiliated formerly wit Chrysler's sales force, managed a De ver automobile agency.

ricators held back for further pricing a surances.

One of a number of crippling no ferrous metals strikes (BW-Mar.2 p96) neared an end as the Scovill Mfg Co., Waterbury, Conn., agreed to gi an 181¢ hourly increase to 4,300 C.I. Mine, Mill & Smelter Workers w have been on strike since Feb. 6. On the formality of ratification by union members remained. Other brass, or per, and lead plant strikes continued.

Philadelphia businessmen, alarmed the number of veterans unable to fin jobs, have contributed \$50,000 to en ploy the retiring head of the Philade phia Marine Corps Quartermaster Corp and a staff of personnel experts to con duct a long-range program of providing

jobs for veterans.

E INTERNATIONAL OUTLOOK

NESS WEEK CH 16, 1946



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em ladel Dramatic, and dangerous, changes in world trends are developing.

The triumphant Allied unity of V-J Day has, momentarily at least, given way to alarming friction among the Big Three nations.

Unless the tide of international suspicion turns, business will soon feel the repercussions of current soaring discord.

You can, of course, discount irresponsible rumors that war is imminent.

However bitter international controversies become, they will stop far short of any all-out showdown now.

Fear is that present bullying maneuvers will continue until they are beyond the control of UNO.

The acid test of today's peace plan, and of the ability of present international leaders to make it function, begins Mar. 25 when the Security Council opens its sessions in New York.

If UNO fails, and the world breaks up into Anglo-U. S. and Soviet blocs, the stage will be set for another war though it may be years away.

Actually, behind the diplomatic fireworks which almost certainly will characterize the first Security Council meetings, the U.S.S.R. and the U.S. are expected to reach some minimum working agreement which will hold UNO together.

Note these already-disclosed moves, both of top importance:

- (1) Washington, by acknowledging, even belatedly, that Moscow some time ago asked for a \$1 billion loan, has opened the way for direct and immediate financial negotiations.
- (2) The U. S. has proposed, at the World Bank and Fund conferences now under way in Savannah, that Russia (and other dilatory nations) be given six months longer in which to join the Bretton Woods organization.

On the other hand, Washington—at first subtly but of late bluntly—has let Moscow know that the U. S. also can show its teeth.

Chalk up these moves as significant warnings to the Russians:

- (1) The Administration's tacit support—through Truman's presence—of the Churchill speech calling for an all-out Anglo-U. S. alliance if the U.S.S.R. continues to be unilaterally aggressive.
- (2) Assignment of the powerful U.S.S. Missouri for a diplomatic mission to Turkey at the moment when Russia is threatening to detach Turkey's two eastern provinces.
- (3) Military participation, with Canada, in an exploration trip into the Arctic—potential invasion front if any U. S.-U.S.S.R. conflict should develop.
- (4) Creation of a massive U. S.-controlled air base in Saudi Arabia, near the world's richest oil fields which are now exploited by British and U. S. companies and not far by air from the currently unexploited oil fields of northern Iran which Russia would like to develop.

Despite the recent alarming increase in U. S.-Soviet tensions, the prospect for two-way trade has not yet deteriorated seriously.

Factually, exports to Russia are still running at a high level due to continued deliveries of supplies in the lend-lease pipeline.

Heading the list are automotive parts, food, steel manufactures,

THE INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK MARCH 16, 1946 petroleum products, and woolens—all contracted before lend-lease expired.

Not until June are these deliveries expected to be completed.

U. S. imports from the Soviet Union during 1945 were nearly double the prewar rate.

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USIN

Despite Churchill's urgent plea only two weeks ago for a united U. S.-British diplomatic front, London this week extended its expiring trade agreement with the Argentine, though on a temporary basis.

Washington, in contrast, allowed its trade pact to lapse and no formal extension is anticipated until some new policy for dealing with a Peron government is devised.

Also, a British aircraft manufacturer, following the example set by British automobile manufacturers recently, is establishing an assembly plant in the Argentine.

Fuselages will be fabricated locally, but engines will be imported from Britain.

Despite diplomatic and trade tensions far to the south, trade with Mexico is developing encouragingly.

U. S. firms through their local subsidiaries will be prominently represented at Mexico's first National Industrial Exposition when it opens in Mexico City on Apr. 5.

Mission Orange, Delaware Punch, and Dr. Pepper are building bottling plants in Mexico and will soon compete with locally bottled Coca-Cola, Canada Dry, Pepsi-Cola, and Orange Crush for a share of the growing Mexican market for soft drinks.

Mexico's first supermarket is nearing completion in the swanky Chapultepec Heights district of the capital. Designed by technicians sent to the U. S. especially to study supermarkets, the new store is the first of a chain of ten to be built by the Mexico City Municipality.

Private shipping will spurt during the next six months.

The main <u>British and American</u> lines are already resuming individual private bookings on the North Atlantic run.

The <u>Soviet Union</u> has been assigned as reparations the 17,870-ton Patria, a seven-year-old German passenger liner, and with it may inaugurate a Latin American service.

Also, the Russians have just reestablished their prewar Vladivostok-Shanghai freight and passenger service.

Argentina has officially bought for \$595,000 six small Italian vessels interned in River Plate ports during the war and will continue to use them as a part of the growing Argentine merchant marine.

South Africa has sent a buying mission to Britain, Canada, and the U.S. to determine whether to buy old ships for the country's merchant fleet or place orders for new ones.

Continuing their drive for Britain's dominant prewar position as a supplier to the Middle East, automobile manufacturers from the British Isles are touring the eastern Mediterranean and expect to book large orders for buses at Cairo, Aden, Baghdad, and Beirut.

USINESS ABROAD

oviet Taps Gas Reserves

Five-year plan calls for exploitation of huge natural gas posits from Carpathians to Central Asia to ease fuel shortages. ratov-Moscow 530-mi. main, U. S.-equipped, nears completion.

IOSCOW-Large-scale utilization natural gases in the Soviet Unionevelopment stimulated by the warmises to revolutionize the Russian industry. The Russians are making reaching plans to use natural gases in instries as well as homes, as an engine and as a raw material for chemicals. Although the Soviet Union's enorus natural gas reserves are compare to those of the United States, exction and use at their present stage ount to only a small part of U.S. put. But exploitation of the more 200 large natural gas deposits aldy identified from the arctic to subpical zones is expected rapidly to ree the fuel shortage in Russia, where 1940 per capita fuel output was onethat of the United States.

Formerly Byproducts—Before the war, tural gases were produced in Russia marily as a byproduct of the oil

dustry.

The first extensive exploitation of tural gas deposits was begun in the blga region in 1942, to remedy an ute shortage of fuel previously imred from distant areas. Gas obtained the Yelshanka area went far toward tisfying industrial and municipal needs the nearby city of Saratov, which mig the war became an important dustrial center. There, gas accounted \$5% of all fuel consumed and saved out 800,000 tons of coal.

Saratov Resources—Saratov province ssesses enormous supplies of methane, timated by Soviet experts to be at least 0 billion cu. yd., and prospecting ork now going on probably will interest this estimate considerably.

Meanwhile, the Soviets are planning begin exploitation of nine new natal gas deposits at Yelshanka, Kurum, and elsewhere in Saratov provee, within the next five years. This ill raise the annual production of the ta to several billion cu. yd.

Utilization of natural gases is exted to slow the destruction of forts, especially in European Russia,
here immense forest reserves were used
frewood and military action resulted
the loss of the additional woodlands.
Gas for Moscow—The first major
toject for transporting Saratov gas to
estern Russia is embodied in the Sara-

tov-Moscow gas main, which is nearing completion (map). Through it, more than 600 million cu.yd. of gas will flow to Moscow annually. Americanmade Cooper-Bessemer compressors, at six booster stations, will force the gas along the 530-mi. route. This will increase Moscow's supply of gas fivefold and save nearly 4,000,000 cu.yd. of wood each year. The wood is four times as expensive and requires much more sorely needed manpower and transport.

Another still larger gas main for supplying Moscow with Saratov gas is already being planned. It will parallel the present line.

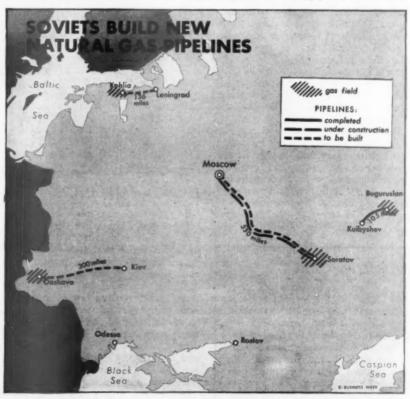
• More Discoveries-Rich deposits of natural gas have been discovered in the

Buguruslan area of Kuibyshev province. Russia's first long-distance gas main (105 mi.) was completed there in 1944, connecting Buguruslan and Kuibyshev. It has been supplying gas to more than 140 factories, and thereby saving hundreds of thousands of tons of coal annually.

Utilization of natural gas has started also in the far north, where a number of lampblack plants have been operating since 1943. At the same time, a plant for the chemical treatment of gas has been launched in the sub-arctic Komi autonomous republic, while in the Urals a number of plants have begun the production of gasoline from natural gases extracted there.

• Planned or Building—The plan for the exploitation of Russia's natural gases includes construction of a 300-mi. gas main from Dashava (Daszawa) in the western Ukraine to Kiev. This will be the first large-scale use of the rich gas deposits in the Carpathian footbills, an area that has been newly acquired by the U.S.S.R.

Construction of a 136-mi. gas main from the Estonian gas fields to Leningrad has already begun. The plan likewise calls for development of the Emba natural gas deposits northeast of the Caspian Sea to supply the south Urals,



In the Soviet Union—as in western Europe—fuel is the key to economic recovery. To supplement lagging coal output and to reduce the burden of coal tonnage on railways, the Soviets are rushing extension of natural gas mains to industrial areas—one is operating, another is about to be linked up, and others are to be laid in the immediate future.

and of the Ukhta deposits to provide

gas for north Ural areas.

The U.S.S.R. also plans to develop gas deposits in Central Asia, with estimated reserves of more than 200 billion cu. yd.; in Transcaucasia, where reserves are estimated at nearly 400 billion cu. yd.; and in the north Caucasus, where deposits are said to be more than 200 billion cu. yd.

British Problem

Future of cotton textile industry hinges on modernizing production techniques, ability to meet foreign competition.

One of Britain's biggest postwar problems is the modernization of its basic industries, coal and cotton textiles-a job which should have been undertaken after the last war. To permit recapture of old export markets and winning of new ones during the next five years-probably with the aid of the U.S. loan-the competitive efficiency of the British economy must be increased.

Last year experts looked into the problems of coal and cotton textile production. The Reid committee made drastic recommendations for rationalizing and modernizing coal production. The Evershed committee, limited to consideration of wages, labor policy, production flow, and other technological problems of cotton textile making, made no such recommendations. Its goal was revival of production.

· Broad Picture Ignored-The committee did not consider the role of cotton textile production in a modern industrial nation, or prospective domestic and foreign markets for the various segments of the industry facing competition from abroad. This omission was surprising in view of the fact that A. H. S. Hinchliffe, president of the

Undersea Cache

When the Germans laid siege to Odessa, major Soviet Black Sea port, they cornered a valuable stock of railroad equipment. To prevent capture, the Red Army placed 36 locomotives on a floating dock, towed the dock two miles out to sea, and sank it in 70 feet of water.

Now examination of the equipment by divers indicates that water damage is slight, and the locomotives will be floated to dockside by steel pontoons and hoisted by cranes for overhauling.

Manchester Chamber of Commerce, has gone on record in favor of postwar concentration of "brains and labor less on the simpler forms of basic production which are particularly vulnerable to competition from newly industrialized areas, and more on the variety of articles which need specialized knowledge and

technical superiority."

Having missed the forest in its preoccupation with individual trees, the Evershed committee recommended: (1) uniform rates of pay for comparable jobs in all production centers; (2) incorporation of existing bonuses and special remunerations in the basic rate scale; (3) the employment of adult males rather than females and youths; (4) minimum time rates and 20% higher minimum piece rates; and (5) separation of skilled and unskilled duties. • Plea for Profits-The commission plumped for a wage-for-age scale and promotion of learners on the basis of seniority rather than ability-a system condemned by U.S. industry because it discourages individual initiative.

It is also suggested that mill owners should be allowed to retain a greater share of profits resulting from production increased by better machines or processes in order that new equipment may be amortized quickly and additional modernization financed.

Introduction of these suggestions may carry cotton textile mills a short way toward the questionable goal of higher production, but the future role of the industry itself is left undeter-mined. Fortunately for Britain, other branches of textile-making-the rayon and wool divisions-are in a healthier position. However, with the upgrading of the technological level of industry as a whole, advanced sectors such as these must in the future fight to hold their supremacy.

ZHUKOV BANK DECREE

In the chaotic days following German collapse last May, what happened to banking institutions depended in part upon the conscience and fortitude of individual bank managers, in part upon the attitude of the occupying armies.

In the American and British zones many banks remained open for business, and those that closed were urged to reopen. But in the Soviet zone all banks were closed on May 8, and only after a preliminary survey were provincial and district banks reopened. All pre-V-E Day accounts were frozen and business was conducted on the basis of new deposits.

A fortnight ago, however, Marshal Zhukov issued a decree permitting German banks in the Soviet zone to handle reconstruction credits for essential in-

Five-year loans, to stimulate civilian



ALL-PURPOSE JEEPS

Consigned to mountainous Colomb a shipment of Willys-Overland jee is swung aboard the Grace Line's den Besse in New York harbo Acclaimed for their climbing abilit the jeeps are particularly suited f Colombia-Willys-Overland's curre No. 1 South American custom Others are going to Venezuela, Un guay, Chile, and Argentina, the latt reporting they are needed for run uses-but undoubtedly mindful their military potentialities.

production and to facilitate recovery transport and municipal organization will be repaid starting three years aft issuance. The loan rate has been set not more than 4%, with bank comm sions fixed at 1%.

Banks are permitted to lend only to 10% of their deposits, and loans ceeding 10,000 Reichsmarks (rough \$1,000) must be approved by the Sovi Military Administration.

ITALY'S TRADE GROWING

Italy is gradually picking up threads of its international trade nections. Following a number of min barter arrangements with neighborn countries and the conclusion of agreement with Spain (BW-Feb.9's p86), Rome has ratified a pact sign with Belgium last December.

Although terms of payment have y to be settled, Italy is to export fruit sulphur, mercury, dyes, and other pi ucts approved in consultation with Allie authorities in exchange for 150 tons 6,000. heavy industrial machinery, 4,000 to

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of cotton, 20,000 tons of copper, 1,500 tons of chemicals, 250 tons of palm oil, 150 tons of photographic supplies, and 300 tons of resins, asphalt, tar, and benzol. Some of the Belgian materials will be derived from colonial sources.

The value of the trade in each direction will be in the neighborhood of 10 billion lire-roughly \$44 million.

A similar pact with France, signed a week earlier, covers an exchange of traditional goods (except those now in short supply) amounting to seven billion lire (about \$31 million) in each direction between Feb. 15 and Dec. 31.

CANADA

Loan to Britain

Partly contingent upon U.S. action. Anglo-Canadian credit means a much greater per-capita effort by Dominion taxpayers.

OTTAWA-Canada's credit to the United Kingdom, arranged last week, will mean substantial British and sterling-area buying of food and raw materials during the next few months, but no immediate easing of British import restrictions on Canadian manufactured goods.

• Major Provisions-The agreement, which is similar to and in some respects contingent upon the Anglo-American loan terms, provides:

(1) Credit of \$1,250,000,000 in Canadian funds available to the United Kingdom until Dec. 31, 1951, with repayment in 50 annual instalments. Interest on the unpaid balance, at 2% a year, does not start until 1951.

(2) Cancellation of a \$425 million British debt arising from the operations of the Commonwealth Air Training

(3) Extension until 1951 of payment on the 1942 interest-free loan of \$700 million, on which some \$500 million is owing.

(4) Liquidation of all claims and counterclaims arising out of the war by British payment of \$150 million.

· Early Use Seen-Sir Wilfred Eady, head of the British mission, predicts that nearly all of the credit will be committed within two years, a very substantial part of it in 1946.

On a per-capita basis, the Ottawa loan represents a contribution by the individual Canadian taxpayer almost four times greater than that in prospect for Americans if the \$3,750,000,000 British loan is approved by Congress. Also, the actual cost of the money lent is

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er in Canada, where a 3% rate heretofore prevailed on long-term

mment borrowing.

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ccial Clauses-The Canadian agreet, like its American counterpart, ains a clause providing a waiver of est in the event Britain's external ne falls below a prewar average. clause affects both lenders equally. further stipulation is that if the pective benefits of the agreement materially altered by "changes in international financial situation," two governments will negotiate opriate changes in the terms of the ement.

hadow of Congress-In an appended hange of notes, Canadian Finance nister J. L. Ilsley and Hugh Dalton, mcellor of the British Exchequer, ce that failure of Congress to apuld necessitate consultation and reion. The two ministers also agree at three clauses-providing for mostored-nation treatment in exchange ntrols and import restrictions, extenon of the 1942 interest-free loan, and neellation of the air training plan bt-will not be implemented until it known that the Anglo-American agreeent will go through.

Canada agreed voluntarily to extend e reckoning date on the interest-free an and to cancellation of the air aining plan debt. The settlement of he outstanding British wartime bal-nce, for \$150 million, involves no aling down of obligations.

Mutual Satisfaction-The credit of 1,250,000,000 is what Britain reuested on the basis of estimated reirements for Canadian dollars in the ext few years. Canada was prepared to ive more if Britain had been willing enter into long-term contracts for anadian farm goods.

The agreement will be presented to Parliament where little opposition is

expected.

EXTRACTION RATE KEPT

Although the United Kingdom is aising its flour extraction rate to 85%. and the U.S. to 80%, there is as yet no ndication that Canada will conform. The U.S. rate has been 72%; the Canadian rate, 76%.

The world food shortage extends beond wheat and flour, and Canada's meat commitments would be unfulfilled if a higher extraction rate reduced millfeed supplies below the present critical

The Dominion is shipping 35,000,-000 bu. of wheat a month abroad. Janwary exports of food were double the amount shipped a year ago. Wheat exports were up more than three-fold, and wheat-flour shipments were 60% greater.

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Agency—Kenyon & Eckhardt, Inc. BELL & HOWELL CO
Apmos—Kenyon & Echhardi, Inc. BELL & HOWELL CO
Agency-Henry A. Louden, Adv.
Agency—Henry A. Louden, Adv. 77 THE BULLARD CO. 77 Agency—James Thomas Chirurg Co. 23 BURROUGHS ADDING MACHINE CO. 23
BURROUGHS ADDING MACHINE CO 23
BURROUGHS ADDING MACHINE CO. 23 Agence—Campbell-Evald Co. Inc. THE CARPENIER STEEL CO. 44 Agence—Beaumont Heller & Speriling, Inc. CELANESE PLASTICS CORP. 12 Agence—Iver & Ellington, Inc.
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Agency-Ivey & Ellington, Inc.
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CHESCHE—Raiph Gross, Adv. CHESCHE—Raiph Gross, Adv. 95
CLEVELAND FLECTRIC HALUMINATING
CO. 107 Agency—D'Arey Advertising Co., Inc. RALPH C. COXHEAD CORP. 62
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MANNING, MAXWELL & MOORE, INC 34
Apency—Briggs & Varley, Inc. MARCHANT CALCULATING MACHINE
Agenes Brisscher, Van Norden & Staff
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CO 61
REYNOLDS METALS CO
CO. 61 Agency—Meldrum & Fewanith, Inc. REYNOLDS METALS CO. 40 Agency—J. Water Thompson CO. RICHMOND CHAMBER OF COMMERCE. 86
S K E INDUSTRIES
SHERWIN-WILLIAMS CO 75
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Agency—Foote, Cope & Belding
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CO., INC.
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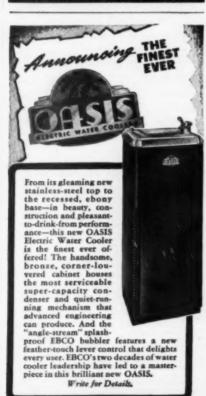


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THE MARKETS FINANCE SECTION-PAGE

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	.166.8	165.3	175.1	136.5
Railroad	. 62.2	62.2	66.4	50.3
Utility	. 88.2	87.4	89.8	61.4
Bonds				
Industrial	.124.6	124.4	124.4	122.7
Railroad	.119.8	119.6	119.8	114.5
Utility	.116.0	116.0	115.9	116.7

Data: Standard & Poor's Corp.

Stocks Bump Hard Again

Following some days of listlessness, during which prices climbed a bit higher while New York Stock Exchange trading was nose-diving to a new postwar weekly low, the stock market again started to fall out of bed on Wednesday of this week. Just as in earlier phases of the "Bowles market," those writing out selling orders played no favorites as they scrambled feverishly to cash in on earlier-gained paper profits.

• Reacts to Rumors—Many Wall Streeters were inclined to blame this sudden attack of weakness on the various reports and rumors flooding the financial district regarding Russian troop movements in Iran and toward the Turkish border; as confirmation of their own beliefs, they were quick to point out the similar sharp sell-off seen the same day in the London security market.

Likewise, it was additionally noticeable that the announcement indicating settlement of the General Motors strike, shortly before the market closed on Wednesday, had relatively little a pricewise on stocks generally despa importance in the current domest dustrial picture.

Whether the foreign reports were together responsible for the spill mains to be seen. Not all Wall so market seers, however, are commanded that the pessimism which sudder reached a boiling point on Wednes was entirely generated by such num. They do think the latter played a plut they blame many domestic face equally.

• Domestic Worries—Particularly and ing current stock market sentiment, cording to the present less-than-bull observers, has been the unfavorable to concerning the profitless nature of particularly ent operations, poor 1946 carnings timates, dividend reductions and supension, etc., which have been emaing lately in growing quantity for discouraged domestic business source.

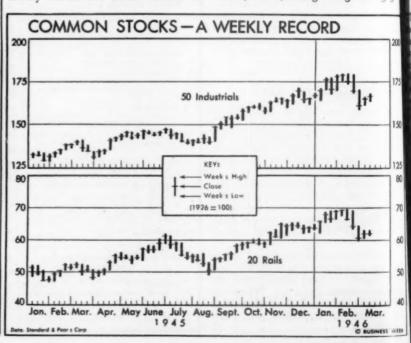
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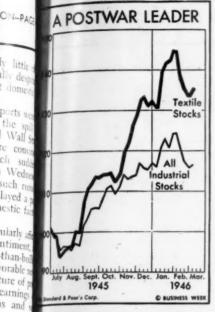
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Adding to these uncertainties are possibility of a coal strike next monunless management knuckles down the demands of John L. Lewis, the feathat any price relief for harassed inditries still not able to produce at the 1941 rate may prove substantially dlayed, and a growing belief that a raroad wage raise considerably higher the earlier anticipated will have to be granted and that the carriers won't soo obtain a compensating hike in freight rates.

• "Profitless Boom"-Not helping sent ment, either, is a growing feeling gen





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indicating that industry for a time have, with only a relatively few exions, what might be described as a fitless boom." Adding momentum is expanding belief was this week's uncement by General Electric that tended to accept its higher wages produce goods in the hope that it will be permitted to charge fair ng prices for its products.
It a result, even Wall Street's vocifer-

a result, even Wall Street's vocifer-bulls are not making too many preons covering the near-term price "Selective" markets for a time are t the best that most of the Street

War (and Peace) Baby"

he textile industry might be de-ed as a good barometer of business the extent of its output (and perity) is normally determined, and cly affected, by the size and lasting thes of consumer purchasing power th, in turn, reflect the general ecoic health of the nation.

bviously, the industry's susceptibil-oupled with other factors present in picture, isn't always conducive to quility. Many times, for example, industry experiences wide fluctuas in its production levels. It's simioften plagued by sharp changes in aw material prices. And it suffers at s from overcapacity, stiff price comtion, and the lack of sufficient mod-

equipment.
ose With the War-Earnings of the ile industry thus have rarely exited any real stability. This feastmine characteristic has been parlarly noticeable in the case of woolen cotton mills. Six such companies, instance, after showing a jump in its from \$9,300,000 in 1935 to \$11,-

600,000 in 1936, were able to report profits of only \$1,400,000 a year later and by 1938 were operating at a deficit.

Because of these factors, textile stocks normally exhibit wider than average swings. Normally, also, they are ainong the first to rise when a major bull move is getting under way and one of the earliest to feel the chill when bearish winds begin to blow.

The tremendous stimulation of war on the demand for its products, obviously, was a bonanza for the textile industry. By 1942 its activity had jumped to a rate some 85% higher than in 1938. Its wartime net profits likewise zoomed to stratospheric levels, despite the trade's tax vulnerability.

• Less-Than-Average Drop—As a result, it wasn't long before the volatile textile shares were giving a stock market performance eclipsed by few, including even the rail group (BW–Mar.9'45, p107). By last June they had reached a point some 162% above their 1942 war-low, measured by Standard & Poor's weekly textile stock price index.

Unlike other favorites, however, the textile group hasn't since started to fade. Following some price unsettlement attendant on V-J Day, it was quick to regain its former stride (chart). February, 1946, saw the index register a new all-time peak, some 42% above last June's "war-high." And, its subsequent "Bowles market" decline has been lessthan-average.

• Few Problems-This quick changeover of the textile shares from a warbaby into a real peacetime favorite isn't hard to explain. For one thing, the in-dustry has no reconversion problems. Manpower shortages have been its biggest recent worry, and the increasing availability of skilled labor may solve this problem before long.

The industry expects for at least some time ahead a flood of civilian orders to replace its recent loss of war business. These are expected to provide more favorable profit margins than experienced in the war years and, as another offset to current higher wage costs, productivity of its labor force is likewise expected to rise as skilled workers return.

During the war years taxes of many textile companies absorbed as much as 73% of their before-taxes earnings. The elimination of the excess-profits levy, and reduction of the 1946 tax rate to 38%, is thus expected to raise earnings sharply. Since finances of the industry are in the best shape in years, its divi-dend disbursements, while the "indicated prosperity" lasts, are expected by many Wall Streeters to be liberal.

· Some Reservations-However, no matter how bright the postwar outlook may be currently, few Street seers, with the market acting-up as it is, are going out on the limb at the moment with any specific "buy" recommendations.

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THE TREND

WHAT DO YOU MEAN "INFLATION"?

Almost everyone is talking about inflation. That is as it should be. Inflation is our No. 1 and all-enveloping economic problem at this juncture, and promises to remain so for some time.

But everyone who is talking about inflation is not talking about the same thing. That creates confusion and reduces the chances of coping effectively with inflation.

• In talking about inflation many people have in mind simply a rise in prices, or perhaps a rise in the cost of living. That is the conception of a lot of people who think that if the OPA is tough and holds the price line firmly our inflationary troubles will be solved. Others, particularly those with a background in Europe, where people have suffered terribly from another kind of inflation, think of it primarily in terms of needing a wheelbarrow load of increasingly worthless currency, issued by a government with a collapsing credit, to buy a loaf of bread. They see no imminent danger here of what they regard as inflation.

Between these more or less extreme views of what constitutes inflation is a whole host of other conceptions and refinements, all of them in current use. In one of these conceptions, price increases as such are not necessarily inflationary. Rather it is that sort of upward price movement which sets off a spiraling process, with wage increases begetting price increases, and price increases in turn begetting more wage increases and touching off speculation in inventories, securities, and real estate until the whole upward swirl collapses with a sickening thud. In this conception, the 23% increase in wholesale prices between 1932 and 1935 would not be regarded as inflationary since it did not generate the spiraling forces which are the essential attribute of inflation.

• Another conception of inflation, which stems directly from the basic meaning of the word as a process of puffing up, regards it simply as an increasing, or puffing up, of the supply of money or what passes as money in relation to the available supply of goods and services, and without immediate regard to what happens to prices. In this conception there can be at least temporarily and until the lid blows off, a large inflation without much or any price increases if the price control lid is held down tight.

The conception of inflation as an increase in the supply of money in relation to the supply of goods and services has one transcendent virtue. It is that of focusing attention on the root cause of inflation, in all of the manifold conceptions of it, rather than on the effects. The price increases which many identify as all there is to inflation are an effect of increasing the supply of money in relation to what can be bought with it. But to concentrate the cure of inflation simply on price control is

much the same process as that of trying to cure smalls by applying ointment.

• To effect an abiding cure of inflation, as opposed tot superficial and temporary remedy provided by proceeding to control, two things must be done. One is to cut do the disparity between the supply of money available purchase goods and the supply of goods, thus reducin inflationary pressure. The other is to take steps who reduce the impulse to turn money into goods. The because it focuses attention on causes rather the effects, we are sure that the most useful conception inflation is that of an increase in the supply of mone in relation of goods and services, coupled with a general impulse to spend the money. Price increases are the result of inflation.

Of the enormous excess of money over available goods which we piled up during the war, a part has a ready been translated into increased prices, which, wholesale, have risen by one-third in the last five year However, a large part of it—about \$270 billion—remain the hands of individuals and institutions other the banks. If left uncontrolled, we are convinced, it constitutes the wherewithal to send us spinning off on a dastrous boom and bust sequence.

Consequently, we take what we regret to find is some what a minority view in the business community the federal price control should be continued for a limit period beyond June 30 next to escape the immediate menace of such a sequence. We are fully aware, to course, that the extension will avail little or nothing if is not used to get the huge supply of purchasing power under much better control, on the one hand, and the supply of goods and services expanded on the other.

On the side of monetary supply this program involve steps such as eliminating federal deficits (every dollar deficit adds a dollar to the inflation of the monetas supply) and getting better control of credit expansis by more rigorous reserve requirements. On the production side, the program involves preeminently prompt discontinuance of the federal policy of squeeing the life blood out of business enterprise between the upper stone of a fixed profit ceiling and the nether stone of wage increases.

• In summary form the central problem before us might be stated as that of preventing a tremendous inflation of the monetary supply from being converted into a disastrous inflation of prices. We think that federal prices control has a crucial stopgap role to play in that open tion for a definitely limited time. But anyone whethinks that all it's necessary to do to control inflation to sit hard on the price lid is living in a super fool paradise.

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